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# Housing

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**An Element of the  
Oakland Comprehensive Plan**



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# **Housing**

## **An Element of the Oakland Comprehensive Plan**

**City of Oakland  
January 1979**



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## Introduction and Summary

The physical appearance of Oakland as a whole and the life-style of its residents are directly related to the condition, cost and availability of its housing. In many respects, the housing of a community mirrors its moods and self-image, as well as its government. Housing can be a status symbol, hobby, business, retreat, and sanctuary, as well as shelter. It is also a depository of Oakland's heritage expressed in the varied architectural styles throughout the City. Because of all these things, housing will continue to be one of the most important concerns of Oakland's citizens and its government.

Consistent with this concern are the following housing goals of the City of Oakland.

- . *To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to*

*accommodate its members, at a reasonable cost relative to its income, and free from noneconomic constraints on its freedom of selection.*

- . *To provide for the housing needs of all economic segments, all age groups, and all household types.*
- . *To ensure a reasonable balance of housing according to tenure (such as conventional ownership, condominium, or rental), dwelling type (such as single-family or multi-family buildings), price, density, type of amenities, and location.*

The Oakland Policy Plan contains other goals, which, although not directly related to housing, are relevant and indicative of the City Council's commitment to housing and associated issues.

These goals are:

- To preserve and create attractive, safe, and convenient neighborhoods with good housing and adequate schools, parks, recreation centers, and other needed facilities.
- To protect and improve Oakland's physical environment.
- To ensure that each family, regardless of its income and relative to its needs, has access to the City's full range of benefits.

This concern with housing is also evident at the State and National level. California has enacted a law requiring all cities in California to adopt a Housing Element as part of their general plans. In addition, the Federal government has supported this thrust by insisting on a Housing Element as prerequisite for certain kinds of Federal funding. This report will carry forward and update existing city housing policies in a manner that will satisfy State and Federal requirements.



## Relationship of Housing Element to the Comprehensive Plan and General Plan

This Housing Element, once it is adopted by City Council, will become one of many elements of the Oakland Comprehensive Plan; its policies will also be incorporated into the Oakland Policy Plan. The Oakland Comprehensive Plan consists of the Oakland Policy Plan and any other element (report, action program, etc.) the Council declares to be part of the Comprehensive Plan.

Oakland, however, is legally required to have a "general plan". The State Planning Law requires this of all cities, and refers to various elements such as housing, open space and conservation, which it shall or may include. "Housing" is a required element. The Oakland City Charter also mentions the City's "general plan" without, however, defining it. For purposes of satisfying these two requirements, the City Council has declared that the Comprehensive Plan is also the City's general plan. Therefore this document, as adopted, is simultaneously the Housing Element of the Oakland Comprehensive Plan and of the City's general plan.

### Summary

The Housing Element takes a problem oriented approach by examining the general areas of substandard housing, overcrowding and housing production, housing needs of low- and moderate-income families, overconcentration of publicly-assisted housing, and discrimination in housing. Each subject area is examined quantitatively, relying largely on Census data, and then reviewed for problems and obstacles affecting it. This is followed by existing, modified, and new City policy, formulated to resolve the identified problems. Finally, existing and new programs impacting the identified problem areas are covered.

Chapter II, An Overview of Oakland Housing, provides the general setting and background for the element. The chapter notes that Oakland has a population which has declined over recent decades, a significant unemployment rate, and a housing stock which in 1970 was 47.7 percent single family and 52.3 percent multi-family. In the future, it is expected that Oakland's population will generally stabilize around its present level but will gain a significant number of housing units because of the growing number of one and two person households demanding housing. The spiraling cost of housing coupled with high demand will continue to have a substantial impact on the City's low- and moderate-income population. In the aggregate, 22 percent of Oakland's households have one or more housing problems while 45 percent of its rental households pay too much for housing.

Chapter III, Substandard Housing, notes that Oakland, like most central cities, possesses a housing supply which is generally old and often in poor condition. An estimated 2700 housing units in the City are considered dilapidated or beyond the point of rehabilitation and more than 16 percent of the housing stock is substandard, needing various levels of repair and rehabilitation. The existence of poor housing conditions is related to the economy of the City and the fact that poor people, whether owners or tenants, cannot afford to adequately maintain their housing. The City's major policy and program response has been oriented towards providing below-market-rate rehabilitation loans and grants and supportive service.

Chapter IV, Overcrowding and Housing Production, considers three inter-related issues: overcrowding, housing production, and housing costs. The 1970 census indicated that 10,232 of the City's households experienced overcrowded conditions. Exacerbating the situation is a slump in residential construction in Oakland over the last several years and a dramatic rise in housing costs. Basically, families are overcrowded because they can not find adequate lodgings at a price they



can afford, and the private market cannot build low-cost housing without government subsidies. Rising costs are a function of post-war population surge, the continued desirability of the single-family house, the rising price of land and raw materials, and the buying power of families with two wage-earners. These factors create a demand that has had repercussions on all aspects of the housing market, particularly on the low income household. The City's only option to meet these needs is to rely on Federal and State rental subsidy programs or subsidized construction programs.

Chapter V, Housing Needs of Low and Moderate Income Families, concentrates on those households which are "priced out" of the market for adequate housing that meets their needs. Data for 1970 indicates that there were at least 39,000 low income households in Oakland, accounting for 28 percent of all households in the City. It is also estimated that 36,290 rental households in the City paid excessive rent, i.e., more than 25 percent of income for rent. Thirty-two percent of the households (over 24,000) actually paid more than 35 percent of their income for rent. The major problem of course, is that there are not enough low-priced units or rental subsidies to meet the need. Here too, the City must rely on Federal and State housing programs to solve this problem.

Chapter VI, Overconcentration of Publicly Assisted Housing, examines the impact of publicly assisted housing projects on Oakland's neighborhoods; it also examines the associated concern of restricted housing choices for low-income families. Seventy percent of the City's 8,500 assisted housing units are concentrated in only 17 of its 104 census tracts. Most assisted units are clustered in the City's low-income neighborhoods. The City has responded by encouraging efforts to provide greater choice for low-income households through an increase in the quantity and quality of

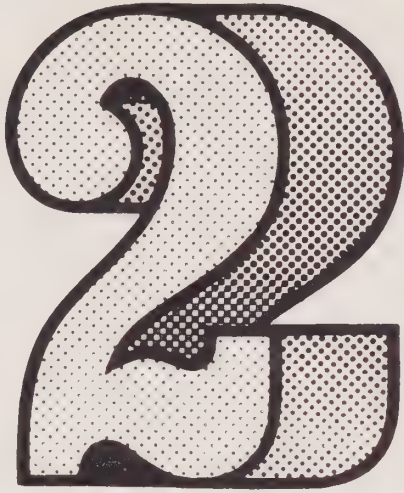
locations and types of housing available to low- and moderate-income households. The City has also developed a publicly-assisted housing allocation system to avoid excessive impact on any given neighborhood. This system assures a minimum distance between assisted housing locations and limits the size of projects.

Chapter VII deals with Discrimination in Housing. It is evident that housing discrimination continues to be a serious problem for blacks, Spanish-speaking persons, single women with children, and other minorities. Restrictive loan practices, screening and "steering" of clients by real estate agents, and control of market information are a few of many discriminatory housing practices which have operated in Oakland. Although regulatory agencies abound at the Federal, State, County, and City levels, no strong commitment has been made in the form of money or manpower to control such practices.

Chapter VIII, the last chapter, provides a summary of the City's policies and programs and outlines the City's implementation processes.







## An Overview of Oakland's Housing

This chapter presents a descriptive analysis of changes in Oakland population and housing, a review of its housing market, and a statistical survey of households with housing problems. It provides a basis for understanding subsequent chapters which deal with: substandard housing; overcrowding and housing production; housing needs of low- and moderate-income families; the overconcentration of publicly-assisted housing; and discrimination in the housing market place. Trends in population and housing are provided along with a broad-brush picture of the condition of Oakland's housing stock.

### Oakland's Population Characteristics

Oakland has been experiencing a downward trend in population since the 1950's. In that decade there was 4.6 percent decrease in population. The 1960's saw a further 1.6 decrease to a 1970 population of 361,561. By 1977, population had declined another 6.5 percent to a figure of 338,000. This decrease in population since 1950 was accompanied by a major ethnic transition in

which Oakland's white population steadily declined while its nonwhite population steadily increased. In the 1960's this trend continued, and by 1970, 41 percent of the City's residents were nonwhite. Recent estimates reflect this trend. The City's population now is principally nonwhite with the white proportion of the population at 47 percent. Although there has been a long term decrease in population, it is assumed that the population will stabilize at roughly its present level; expected changes will be limited to variations in size and type of household.

### AGE COMPOSITION

For the period 1960-1970, several significant changes became apparent in the age composition of the population. One of the most important changes was a sizeable decrease in the number of children under five years of age. This group declined almost 24 percent, and the decrease was mirrored to a lesser extent in the ages 5 to 14. This is consistent with the steady decline in the birth rate throughout the United States, and Oakland reflects this general trend. The only increase in the under 20 age group was for persons 15 years and over, and it represents the tail of the "baby boom" of the fifties and early sixties. This increase, however, could not offset the larger decrease experienced in the younger age groups, and the decline for persons under 20 was almost 5,000 persons.

In spite of this decline in the number of younger persons in the City, the median age in Oakland declined from 36 years in 1960 to 32 years in 1970. This was due primarily to increases in the 20-44 age group and marked decreases in the 45-64 age group. Table 2 shows the 20-44 groups gaining a 2 percent larger share of the population and the over 65 group gaining almost 4 percent. The greatest population loss occurred in the 45-64 age group which lost almost 9 percent of its population group and reflected middle-income households moving out of the City.

TABLE 1

Total Population by Race: Oakland, 1960 and 1970

<u>Race</u>	<u>1960</u>		<u>1970</u>		<u>Change</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Total</u>	<u>367,548</u>	<u>100.0</u>	<u>361,561</u>	<u>100.0</u>	<u>- 5,987</u>	<u>- 1.6</u>
White	270,523	73.6	213,512	59.1	-57,011	-21.1
Black	83,618	22.8	124,710	34.5	+41,092	+49.9
Other Nonwhite	13,407	3.6	23,339	6.4	+ 9,932	+74.1

Sources: 1960 and 1970 Census of Population.

TABLE 2

Total Population by Age: Oakland, 1960 and 1970

<u>Age Group</u>	<u>1960</u>		<u>1970</u>		<u>Change</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Total</u>	<u>367,548</u>	<u>100.0</u>	<u>361,561</u>	<u>100.0</u>	<u>-5,987</u>	<u>- 1.6</u>
Under 5	34,771	9.5	26,543	7.3	-8,228	-23.6
5 - 9	30,273	8.2	28,158	7.8	-2,115	- 6.9
10-14	28,220	7.7	27,882	7.7	- 338	- 1.2
15-19	22,383	6.1	28,355	7.8	+5,972	+26.7
20-44	114,532	31.2	119,712	33.1	+5,180	+ 4.5
45-64	91,382	24.9	83,303	23.0	-8,079	- 8.8
65+	45,987	12.7	47,608	13.2	+1,621	+ 3.5

Sources: 1960 and 1970 Census of Population.

These marked shifts in population have been accompanied by changes in the racial composition of the City's population. The white population declined in all age groups and the nonwhite population gained in all groups. The largest increases in the nonwhite population were in the 20-44 age group with a 21,000 person gain. The white population experienced the smallest losses in the over 65 group. The nonwhite population over age 65 more than doubled between 1960 and 1970, increasing by 114 percent. Within the nonwhite population, as in the white population, changes in age composition meant that children were a smaller share of the group in 1970: they made up 4.5 percent less of the total nonwhite population than in 1960.

#### HOUSEHOLD COMPOSITION

Although the total number of people living in Oakland decreased between 1960 and 1970, the number of households increased during the same period--a trend that is expected to continue in the future. This was accompanied by a decline in the size of households. In fact, national statistics show that from 1970 to 1974, 87 percent of the net increase in total households consisted of a gain in one- and two-person households. The increase in the number of households was also reinforced by the number of households composed of unrelated individuals. These shifts in the quantity and composition of households in Oakland are shown in Table 3. The proportion of households that are families decreased from almost 72 percent in 1960 to just over 64 percent in 1970, while the proportion of households with unrelated individuals increased from 28 percent to more than 35 percent over the same period. In addition, families headed by a husband-wife couple decreased as a proportion of total households, while families with a single male or female head increased as a proportion of total households.

#### Income of Families and Unrelated Individuals

In the decade between 1960 and 1970, the median

income of Oakland's families increased 21.5 percent in real income. In actual dollars, the median income of Oakland's families increased to \$9,626 in 1969, a gain of 52.7 percent. For Oakland's unrelated individuals, the median income, \$3,303 in 1969, rose 44.3 percent; but in terms of real income the rise was 18.8 percent.

It is difficult to ascertain whether the black and other nonwhite populations sustained the same increase as the total population, since income data for these populations is not available in both the 1960 and 1970 censuses. The data does indicate, however, that the income of the Oakland minority groups did increase over this period but remained below that of the population as a whole. Moreover, there were more minority families earning \$10,000 or more a year in 1969 than there were minority families whose income was below the Federal poverty level.

Income data is not available for the period 1970-1975 but there is data that may provide some indication of income trends during this period. For example, the economy since the 1970 Census has experienced substantial inflation with the rate (based on the consumer price index) for 1974-1975 estimated at 9.6 percent. On a long-term basis, the value of the dollar has decreased 59 percent in the last nine years. In other words, a 1967 dollar was worth 41 cents in 1975. At the same time, average manufacturing wages have increased approximately 72 percent, apparently providing a net increase in an average family's buying power.

#### POVERTY AND UNEMPLOYMENT

Family income alone is not the most accurate measure of economic well-being since it does not take into account the size of the family or the number of wage-earners. As of 1970, 16.6 percent of Oakland's residents and 12.2 percent of Oakland's families had incomes below the Federally-established poverty level. In other words, one out of every six Oakland residents had incomes



TABLE 3

Household Composition: Oakland, 1960 and 1970

	1960		1970	
	Number	Percent	Number	Percent
<u>Total Households</u>	<u>133,843</u>	<u>100.0</u>	<u>138,831</u>	<u>100.0</u>
Family Households	96,269	71.9	89,233	64.3
Husband-Wife	79,946	59.7	69,998	50.4
Other with Female or Male Head	16,323	12.2	19,235	13.9
Households of Unrelated Individuals	37,574	28.1	49,598	35.7

Sources: 1960 and 1970 Census of Population

insufficient to maintain a minimum standard of living. The largest proportion of poverty families was concentrated in the black population, where 25.2 percent of the persons and 21.8 percent of the families were classified as poor. In the Spanish-surname population, 19 percent of the persons and 15.3 percent of the families were below the poverty level. Of the families below the poverty level, almost 55 percent had females as the family head and of the poor black and Spanish-surname families, 66.3 percent and 45.5 percent, respectively, had female heads. This indicates the greatest burden of poverty falls upon single women with dependent children.

Consistent with Oakland's relatively high poverty rate, the unemployment rate has been consistently high compared to the region. In 1970, 7.8 percent of the men and 8.0 percent of the women in the civilian labor force were unemployed. Black men and women had a significantly higher rate of unemployment--12.6 and 11.8 percent respectively. Spanish-surname men also had a higher than average rate--10.4 percent in 1970. Between 1970 and 1976 the level of unemployment has increased; the U.S. Department of Labor has estimated the

the level of unemployment for a two-month period in 1976 to be 15 percent.

#### FUTURE POPULATION TRENDS

Although Oakland has had a history of declining population, it is expected to stabilize at its present size; future changes will be more of composition than of scale. The following trends are based on an examination of national and local trends, a subjective analysis of Oakland's population, and the Association of Bay Area Governments' Series III projections. It is plausible to assume that Oakland, within the next twenty years, will experience:

1. A slightly declining population, but a change not exceeding 3 percent of the 1977 figure of 338,000 persons.
2. A gradual rise in the average age of the population with the largest age group concentrated around the 35-45 year age bracket.
3. An increase in the number of persons over 65 years.

4. A substantial decrease in the number of persons under 20 years of age.
5. A gradual decline in the size of the average household to a level near 2.2 persons per household.
6. A substantial rise in the number of one and two person households.
7. A slight decline in the mortality rate.
8. A continued growth in the number of female-headed households.
9. A moderate growth in the number of new jobs created and a continued increase in the number of women in the labor force.

## Oakland's Housing Characteristics

Despite the decrease in population from 1960 to 1970, Oakland's housing stock expanded by 3.6 percent from 141,479 units to 146,608 units. During this ten-year period the City experienced a significant loss of single-family homes through redevelopment projects, public transportation projects, and demolition of substandard dwellings. The same period, however, saw a sharp increase in multiple-family units. The period 1970 to 1975 had a continuing gain, but at a declining rate, with a 1.4 percent increase in the number of housing units. The cost of housing, during this period, rose at a faster rate than the increase in net income, and the relative rapid growth of small households increased the demand for separate housing units.

### OAKLAND'S HOUSING INVENTORY

The number of single-family units in Oakland decreased between 1960 and 1970 from 56.5 percent of the total housing stock to 49.2 percent, a loss of almost 10 percent. Units in multiple-

family structures, on the other hand, increased from 61,391 to 74,308--a 21 percent gain that resulted in multiple-family units constituting more than 50 percent of the housing stock. The large increases in multiple-family units has resulted in a significant shift in the proportions of renter versus owner-occupied housing units in Oakland. In 1970, 80,000 units or 57.6 percent of the total occupied stock was renter occupied compared to 70,267 or 52.5 percent in 1960.

Table 6 shows that the number of rental units in structures with two or more units increased by over 13,500 between 1960 and 1970, while the number of single family rental units actually declined by almost 4,000. Table 5 shows that most of the decrease in owner-occupied units occurred in single-unit structures, even though a greater percent loss occurred in units in multiple family structures.

In spite of the increase in rentals, there has been little change in the size of housing units in the City. The number of units with 1-3 rooms increased almost 4 percent, and units with 4-5 rooms just over 7 percent. Units with 6 or more rooms declined 3.5 percent indicating, perhaps, the removal of older buildings from the housing stock. The proportion of units which have one to three rooms has not changed, while there has been a slight rise in the proportion of four and five room units.

Changes in the number of bedrooms in units show a similar pattern with a large decrease in the number of studio apartments (with no bedrooms) and an increase in the number of one-bedroom units. Two-bedroom units showed the largest increases, with 4,000 units being added between 1960 and 1970.

### HOUSING COSTS

The cost of housing in the Bay Area has been increasing at a rapid rate during the past fifteen years, and at an ever increasing rate. Oakland has also followed this upward trend. Between

TABLE 4

Total Housing Units by Size of Structure: Oakland, 1970 and 1960

Units In Structure	1960		1970		Percent Change
	Number	Percent	Number	Percent	
Total	141,479	100.0	146,608	100.0	+ 3.6
1	79,974	56.5	72,114	49.2	- 9.8
2 or more	61,391	43.4	74,308	50.7	+21.0
Mobile home or trailer	114	0.1	186	0.1	+63.2

Sources: 1960 and 1970 Census of Housing.

1960 and 1970, the median value of homes in Oakland rose 50 percent from \$14,200 in 1960 to \$21,300 in 1970. Table 8 shows the value distribution of owner-occupied units in Oakland.

The increase in housing costs is best illustrated by comparing the amount of housing valued at under \$20,000 in 1960 and 1970. The 1960 Census placed more than 78 percent of all owner-occupied units at a value below \$20,000, while in 1970 this percentage had dropped to 44.6. In addition to this significant decrease in less expensive housing units, there has been a consequent increase in units valued at over \$25,000: from 11.5 percent of the owner-occupied stock in 1960, according to the Census, to 34.5 percent in 1970. In general, the amount of low cost housing in Oakland has steadily been decreasing during the decade between 1960 and 1970, and this trend is not only continuing but the rise in costs appears to be accelerating.

Although data is not specifically available for Oakland, the Department of Housing and Urban Development, in its November 1976 Newsletter, discussed several reports concerning this rapid increase in housing costs. A joint HUD and Census Bureau report showed that between 1970 and 1974, the median value of owner-occupied,

single-family homes increased faster than the income of owners. The median value of owner-occupied, single-family homes rose 59 percent, from \$17,000 to \$27,200 between October 1970 and 1974, while the median income for homeowners during this period rose 32 percent, from \$9,700 to \$12,800. This rapid rise in cost was further confirmed by a report from the Federal Home Loan Bank Board which states that the national average cost of a new one-family house bought with a conventional mortgage in September 1976 was \$50,000. Ten years earlier, the price of the same house was under \$30,000 and in 1971, the cost was \$36,000.

Further evidence of the rapid rise of housing costs in Oakland is contained in the Consumer Price Index for the San Francisco-Oakland area. According to the index, the cost of housing has risen 93 percent between 1967 and 1978, which means that, in little over ten years, the cost of housing in the Bay Area has almost doubled.

The rental structure in Oakland has been paralleling the increase in the value of owner-occupied units. The median gross rent (which includes the cost of utilities) rose 59 percent--from \$73 per month to \$116 per month--during the period between 1960 and 1970. Table 9 shows the changing rental market between 1960 and 1970. As was the case for



TABLE 5

Owner-Occupied Units by Size of Structure: Oakland, 1960 and 1970

<u>Units In Structure</u>	<u>1960</u>		<u>1970</u>		<u>Percent Change</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
<u>Total</u>	63,576	100.0	58,831	100.0	- 7.5
1	56,189	88.4	52,346	89.0	- 6.8
2 or more	7,319	11.5	6,430	10.9	-12.1
Mobile home or trailer	68	0.1	55	0.1	-19.6

Sources: 1960 and 1970 Census of Housing

TABLE 6

Renter-Occupied Units by Size of Structure: Oakland, 1960 and 1970

<u>Units in Structure</u>	<u>1960</u>		<u>1970</u>		<u>Percent Change</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
<u>Total</u>	70,267	100.0	80,000	100.0	+13.9
1	21,431	30.5	17,453	21.8	-18.6
2 or more	48,790	69.4	62,416	78.0	+27.9
Mobile home or trailer	46	0.1	131	0.2	+284.8

Sources: 1960 and 1970 Census of Housing

owner-occupied units, there has been a steady decrease in the number of rental units which could be considered low rent units. During the last decade the percentage of units renting for less than \$100 per month decreased from 81.9 percent to 35.4 percent of total units. Additionally, those units renting for \$100 to \$200 per month increased in number from 15 percent in 1960 to more than 56 percent in 1970.

Local statistics are not available for the

Oakland area since 1970 and national statistics are inconclusive with respect to the magnitude of the presumed rise in rental rates. For example, statistics developed by the U.S. Census in 1975 show that 35 percent of the nation's renters paid less than a hundred dollars a month for housing, the same proportion for Oakland renters in 1970. More significantly, 36 percent of the renters nationwide paid more than 150 dollars a month for housing in 1975. It can be assumed that nationwide data on rental payments tend to be somewhat

TABLE 7

Total Year-Round Housing Units By Number of Rooms:  
Oakland, 1960 and 1970

	1960		1970		Percent Change
	Number	Percent	Number	Percent	
Total	141,471	100.0	146,608	100.0	+ 3.6
1-3 Rooms	46,005	32.5	47,834	32.6	+ 3.9
4-5 Rooms	60,742	42.9	65,255	44.5	+ 7.4
6 or more	34,724	24.5	33,519	22.9	- 3.5

Sources: 1960 and 1970 Census of Housing

lower than for metropolitan areas such as the San Francisco Bay Area, but the data does seem to reflect that rents probably increased at a smaller rate than the cost of owner-occupied housing.

## Oakland's Housing Market

The housing market is similar to any other economic mechanism which is regulated by supply and demand relationships. Supply considerations include quality, quantity, and price distribution of the housing stock. Demand elements include the ability and willingness of households to pay for housing of a certain type and size and in a certain location.

### DEMAND FOR HOUSING

The changes in the composition of Oakland's population, discussed in the first part of this chapter, affect the demand for housing in Oakland--particularly the quantity, size, and quality of housing units for which the City's residents are willing and able to pay.

The most obvious change is in the size of Oakland's population. The population has de-

creased, but at the same time the households have become smaller and have become more numerous. In addition, the numbers of young adults (20 to 44 years old) and elderly individuals over age 65 are increasing. These latter age groups are likely to be living by themselves or living in groups of unrelated individuals and are more likely to rent than to own the housing unit in which they live.

Persons over the age 65 as a group will certainly be requiring more studio and one-bedroom apartments if their population grows, as expected, to near 20 percent of Oakland's population around the turn of the century. Similarly, the younger age group will also demand similar sized units and in many cases compete with the elderly group for similar type housing. This competition, in some parts of the City, could limit the mount of housing available to the lower-income elderly. In addition, groups of lower-income unrelated individuals in their twenties and early thirties are likely to live together in collectively owned and rented single-family houses.

The decrease that occurred between 1960 and 1970 in heads of households between 44 to 64 years of age is not expected to have a long-term effect on demand for owner-occupied housing. Younger

TABLE 8

Value of Owner-Occupied Units: Oakland, 1960 and 1970

	1960		1970		Percent Change
	Number	Percent	Number	Percent	
Total	56,424	100.0	51,339	100.0	- 9.0
Less than \$12,500	20,227	35.8	3,577	7.0	-82.3
\$12,500-\$19,999	24,324	43.1	19,313	37.6	-20.6
\$20,000-\$24,999	5,380	9.5	10,753	20.9	+99.9
\$25,000-\$34,999	4,276	7.6	9,912	19.3	+231.8
More than \$35,000	2,217	3.9	7,784	15.2	+351.1
Median	\$14,200		\$21,300		

Sources: 1960 and 1970 Census of Housing

TABLE 9

Gross Rent of Renter-Occupied Units: Oakland, 1960 and 1970

	1960		1970	
	Number	Percent	Number	Percent
Total	70,236	100.0	79,557	100.0
Less than \$40	6,037	8.6	739	0.9
\$40-59	14,884	21.2	4,715	5.9
60-79	20,874	29.7	9,677	12.2
80-99	15,752	22.4	13,080	16.4
100-149	9,487	13.5	31,473	39.6
150-199	1,076	1.5	13,571	17.1
200 or more	489	0.7	4,501	5.7
No Cash Rent	1,637	2.3	1,821	2.3
Median	\$73		\$116	

Sources: 1960 and 1970 Census of Housing.



households (under 44 years) of small and even some large-size families, are exerting a significant demand on the single-family ownership market. The demand of small, two wage-earner households has been significant and has, in some neighborhoods, outbid larger households with lower incomes. There has also been some indication that, in selected areas, the demand for purchasing single-family homes has encroached upon the single-family rental market and has forced renters to look elsewhere or pay higher rents.

As a whole, the population in Oakland is getting wealthier. However, the average family's income has not kept pace with the rising cost of housing. Families with two wage earners have been able to absorb these costs, but low-income families and elderly persons have been forced to divert larger portions of their incomes to housing at the expense of other household necessities (such as food, clothing, and medical services). This situation is amplified by the marked shift in the age, racial, and ethnic composition of the Oakland population. The proportion of the population belonging to persons over 65 or minority groups--particularly blacks and Spanish Surname--has risen steadily over the past fifteen years. These groups have, on the average, lower incomes, higher poverty rates, and more unemployment than the rest of the population. At the same time, a higher percentage of minority households are family-type households and the families--especially among the black population, are often headed by only one parent. While more than half of the aged and minority households in Oakland are not disadvantaged and could be classified as middle-class, a significant and rising number of them cannot afford decent housing in the Oakland housing market. Since housing demand is partially a function of ability to pay, these groups have a limited ability to effect a housing demand on the private market. As such, they are often reliant on public housing programs to provide the inexpensive housing they need.

Other aspects of demand for housing in Oakland (the desire for a scenic view, access to shops or transportation, or proximity to a particular community, for example) while not discussed in this report, do play an important role in the Oakland housing market.

#### SUPPLY OF HOUSING

The most significant factor affecting the supply of housing has been a sharp rise in cost. The costs of providing new housing--especially labor, materials, and land--have all risen dramatically. In fact, the Bank of America's appraisal department estimates that their 1977 yardstick house cost \$43,660, a 12.8 percent increase from the year before and a cost that excludes land, sales costs, and municipal hookup fees. The costs of maintaining a house have risen as well, with repairs, taxes, and utilities all becoming more expensive in the past fifteen years.

There has also been a significant decline in the number of new multi-family rentals in Oakland in the past five years. This decline in multi-family output has been occurring at the same time that the number of households in Oakland has been increasing--faster than in most previous periods. Among the key causes of this situation are: interest rates for long-term financing of apartments which have remained too high to allow most new construction deals to be profitable; and construction and operation costs which have risen rapidly in the past few years. The key for Oakland, as with the rest of the region, is income. If newly-formed households, which now often double up, were to experience rising real incomes and better job prospects, they would demand separate accommodations and spur the market to produce more and higher quality multi-family housing.

Oakland's single-family market presents a somewhat different perspective. It has been estimated that for every new home built, three households move, presumably to better housing. The development of new housing in the suburban

regions around Oakland has certainly contributed, in the past, to the declining demand for homeownership, conversion of owner-occupied homes to rentals, and the general disinvestment of many of the City's neighborhoods.

The nationwide slump in new housing starts in the years 1974-1976, during a period of high demand, has severely reduced the supply of single-family housing for potential homeowners. The effect in Oakland has produced an extremely high demand for houses in the hill areas and even in certain nonhill areas, a trend that could slowly impact the rest of the City. However, this demand, by 1977, had not yet resulted in any significant new home construction because of the aforementioned costs involved. As a result, the supply for middle-income Oakland households has been provided through rehabilitation, conversion of rentals to homeownership, and sales in formerly lower middle-income neighborhoods. This trend is slight, at this time, compared to the City's total housing market, but it is expected to grow. The result will be a tighter rental market for lower income households and a need to provide more subsidized housing units.

#### THE MARKET

In a free market, the amount and cost of goods produced is the result of the interaction of supply and demand. Developers must try to build the kind of housing that people want to live in to market it successfully. For this reason, supply must respond to the demand for housing. In some cases, the market may be found to be operating acceptably. Certainly, a housing market that can meet the demands of a population with fewer families, more households, more elderly, more young adults, and more renters, is obviously behaving responsively. On the other hand, the market does not, and generally cannot, respond to the needs of low-income families and individuals for decent low-cost housing. For a number of reasons, this population finds it difficult to migrate to the suburbs or to

another area where housing is almost always more expensive than in Oakland. They will tend to remain here in the City where, unless subsidized, they will live in substandard housing, be overcrowded, or pay too much for their housing. Even if economic considerations were not a problem, a market that discriminates in the sale or rent of housing to minority groups and large families acts to artificially restrict the supply. This, in addition to limiting choice, raises the cost of housing of these groups.

The Housing Element will evaluate the effects of housing market operation on the economic and social well-being of Oakland and set forth policies and procedures by which the City can respond in the public interest.

### Households with Housing Problems: A Statistical Survey

The material presented in the chapters that follow deals in some detail with specific housing problems within Oakland. While such analysis is necessary, it is also useful to summarize, where possible, the total extent of housing problems experienced by Oakland's households.

The magnitude of three of these problems are available directly from 1970 Census of Housing data for both owner and renter households: substandard housing conditions, overcrowding, and excessive payments for housing.

Census data includes two indicators that relate to the condition of a housing unit: the adequacy of its plumbing facilities and its heating facilities (see Chapter 3 for detailed explanation of these indicators). Persons per room ratios found in census material provide the data on overcrowding, which is defined as a housing unit with 1.01 or more persons per room (see Chapter 4). Ratios relating gross rent to income provide the basis for excessive housing payments for renters, which is defined as a household paying 25 percent or more of its income for rent (see Chapter 5).



The Census also provides data for owner-occupied housing units that relates house value to income; this ratio was intended to be the basis of excessive housing payments for homeowners. However, for reasons explained in Chapter 5, this data is considered unreliable so that the "excessive payment" indicator in the following tables applies only to rental households.

Table 10 summarizes the results of using census data to show the extent of housing problems in Oakland, for both renters and owners. There were approximately 139,000 households existing in Oakland in 1970. Of these households 4,600 lacked some or all plumbing facilities; 8,700 had inadequate heating facilities; 9,900 were overcrowded; and 36,300 (more than 45 percent of all rental households) had excessive rental payments. As one would expect, rental households accounted for an overwhelming number of each identified problem.

While Table 10 shows the number of households experiencing each of the four indicated housing problems, it does not include the total number of households with a housing problem. This is because many households experience more than one problem. This degree of overlap is also available in published census data<sup>1</sup> for the City of Oakland.

Table 11 presents this type of summary for rental households. It shows precisely how many rental households have one or more of the four identified problem indicators and in what combination. The data shows that 45,555 rental households, 57 percent of all such households in Oakland, have some type of housing problem. Of this number 12 have all four identified housing problems; 625 have three of the problems; 7,005 have two housing problems; and 37,913 rental households experience only one of the four identified problems. Of all the combinations shown in the table, making excessive rental payments without experiencing any other identified housing problem

accounts for 65 percent--almost 30,000 households--of all rental households with a problem.

Table 12 presents a similar summary for owner households, except that only three identified problems, as discussed above, are included. The table shows that 5,433 owner households have some type of housing problem, more than 95 percent of which have only one problem. The largest number of owner households with a problem, 3,100, are overcrowded.

Two major qualifications exist concerning data in the three tables just discussed. On the one hand, the number of households living in physically substandard housing units is understated when judged only by the condition of the plumbing and heating facilities within housing units. A more precise, though dated, determination of the number of households living in deteriorating or dilapidated housing units--based on a survey conducted in 1966--is presented in Chapter 3.

On the other hand, the data does not reveal how many of the more than 50,000 households identified above as having some type of housing problem do so by choice, or do so involuntarily. A family could presumably "choose" to occupy substandard and/or overcrowded housing even though its income were high enough to find alternate suitable housing and such housing was easily available to it. Similarly, a relatively high-income family could "choose" to spend a high proportion of its income on housing even though less expensive but highly suitable housing was also easily available to it. Such households having so-called "housing problems" for the above two reasons should be excluded from the number of households having "legitimate" housing problems.

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<sup>1</sup>U.S. Bureau of the Census, Census of Housing: 1970; Metropolitan Housing Characteristics, Final Report HC(2)-195 San Francisco-Oakland, Calif. SMSA. This invaluable Census publication is the basis for most of the 1970 Census of Housing data used in this report.

TABLE 10

Type of Housing Problem by Tenure of Occupants:  
Oakland, 1970

<u>Housing Problem</u>	<u>Total Households</u>	<u>Rental Households</u>		<u>Owner Households</u>	
		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total households in Oakland	138,827	79,877	100.00	58,950	100.00
Lacking Some or All Plumbing Facilities	4,601	4,236	5.30	365	0.61
Inadequate Heating Facilities	8,728	6,733	8.42	1,995	3.38
Overcrowded	9,902	6,587	8.24	3,315	5.62
Excessive Rental Payments	36,290	36,290	45.43	n.a.	-

n.a. = not applicable

Source: 1970 Census of Housing.

Three types of situations could account for households experiencing some type of "legitimate" housing problem involuntarily. First, a household which has too low of an income to find suitable housing that it can afford may be "forced" to accept housing that is substandard, too small, and/or too expensive. Chapter 5 attempts to identify households in this category by dealing with the housing needs of low and moderate-income families. Secondly, the unavailability of sound housing of the right size may "force" some households--even with a relatively high income--to occupy inadequate housing. Chapter 4 discusses the extent to which the housing stock itself may be a contributing factor. And finally, a household--even with sufficient economic resources--may be "forced" to occupy inadequate housing because it is denied, for various reasons, access to otherwise suitable housing. Chapter 7, dealing with discrimination in housing, attempts to identify the number of households experiencing housing problems due to this factor.



TABLE 11

Rental Households with One or More Identified  
Housing Problems by Type of Problem: Oakland, 1970

Lacking Some Or All Plumbing Facilities	Housing Problems		Excessive Rental Payments	Rental Households	
	Inadequate Heating Facilities	Overcrowded		Number	Percent
I HOUSEHOLDS WITH ALL FOUR HOUSING PROBLEMS					
X	X	X	X	12	0.03
II HOUSEHOLDS WITH THREE HOUSING PROBLEMS					
X	X	X		29	0.06
X	X		X	290	0.64
X		X	X	55	0.12
	X	X	X	251	0.55
III HOUSEHOLDS WITH TWO HOUSING PROBLEMS					
X	X			346	0.76
X		X		126	0.28
X			X	1,531	3.35
	X	X		451	0.99
	X		X	2,501	5.48
		X	X	2,050	4.49
IV HOUSEHOLDS WITH ONLY ONE HOUSING PROBLEM					
X				1,847	4.05
	X			2,853	6.25
		X		3,613	7.91
			X	29,600	64.82
V TOTAL RENTAL HOUSEHOLDS WITH ONE OR MORE HOUSING PROBLEMS				45,555	100.00

Source: 1970 Census of Housing

TABLE 12

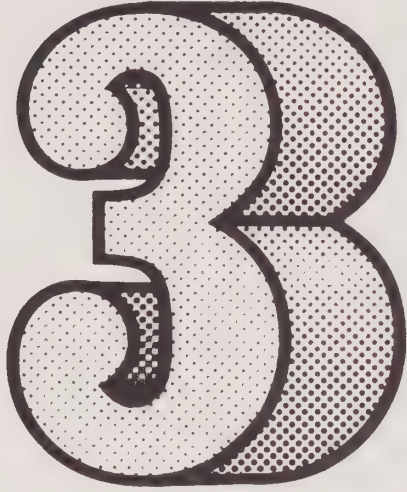
Owner Households With One or More Identified  
Housing Problems by Type of Problem: Oakland, 1970

<u>Housing Problems</u>			<u>Owner Households</u>	
<u>Lacking Some Or All Plumbing Facilities</u>	<u>Inadequate Heating Facilities</u>	<u>Overcrowded</u>	<u>Number</u>	<u>Percent</u>
I HOUSEHOLDS WITH ALL THREE HOUSING PROBLEMS				
X	X	X	12	0.22
II HOUSEHOLDS WITH TWO HOUSING PROBLEMS				
X	X		44	0.81
X		X	31	0.57
	X	X	143	2.63
III HOUSEHOLDS WITH ONLY ONE HOUSING PROBLEM				
X			278	5.12
	X		1,796	33.05
		X	3,129	57.57
IV TOTAL OWNER HOUSEHOLDS WITH ONE OR MORE HOUSING PROBLEMS			5,433	100.00

Source: 1970 Census of Housing.







## Substandard Housing

Oakland, like most central cities, possesses a housing supply which is generally old and, especially in lower income areas, in poor condition. More than half of the City's total housing stock was built more than 40 years ago. These houses, if poorly maintained for a number of years, are highly likely to be substandard. For a number of reasons, the lack of maintenance of the City's housing stock has produced a significant number of deteriorating and dilapidated housing units. This category of housing is estimated to constitute more than 18 percent of the total housing stock, or approximately one out of every six units. This chapter discusses various aspects of the substandard housing problem. The extent of the problem is dealt with first, followed by a discussion of major problems and obstacles which tend to hinder solutions. The chapter concludes with City policies dealing with substandard housing and discusses programs and strategies for alleviating the substandard housing problem.

### Extent of Problem

A high proportion of Oakland's housing units--82 percent--were in structures considered sound\* in 1966 (the most recent year in which a citywide survey of the condition of housing was undertaken). Another 13 percent were in deteriorating buildings which could probably be rehabilitated. Five percent, however, were in structures classified as either dilapidated or not economically suitable for rehabilitation. These statistics show the worst housing in Oakland was apt to be a low-rent, two-bedroom rental unit found in an old structure (more than 98 percent of such units were built before 1939) located in an area with a high percentage of poor people.

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\* In this report condition-of-structure categories are as follows:

1. "Sound" means in general that the building needs no more than minor repairs usually done in the normal course of maintenance.
2. "Deteriorating, rehabilitation probably feasible" means that a sizeable expenditure would be needed to make the building nearly equivalent to a new building--but that, given a market, the buildings physical condition is such that the owner would more likely undertake rehabilitation than tear it down and build anew.
3. "Deteriorating, rehabilitation probably not feasible" means that, given a market, the owner would more likely tear down and build anew rather than rehabilitate.
4. "Dilapidated" means that demolition of the building is clearly called for.



Generally, there was not much difference between the condition of rental units and owner-occupied units in 1966. The survey undertaken that year indicated that 80 percent of rental housing was in sound condition, compared to 84 percent of owner-occupied housing. Six percent of rental housing, compared to four percent of owner-occupied, was either too dilapidated or deteriorated to be rehabilitated. Larger rental units tended to be in much worse condition than other rental housing. On the other hand, the smaller owner-occupied units tended to be slightly more deteriorated than the larger units.

Not surprisingly, a strong relationship exists between the amount paid for housing and its physical condition. Only slightly more than half of Oakland's low-rent housing units were in sound condition in 1966, compared to 84 percent of the moderate-rent and 99 percent of the higher rent units. A similar pattern existed for single-family owner-occupied housing.

#### SUBSTANDARD HOUSING INDICATORS

The 1970 Census did not collect housing condition data. To develop some figures for substandard housing using 1970 census figures, two available data items were utilized: units lacking one or more essential plumbing facilities, and units with substandard heating equipment. Essential plumbing facilities in housing units are: hot piped water, a flush toilet for the specific housing unit, and a bath or shower for the specific housing unit. Substandard heating equipment includes: room heaters without flues, fireplaces which were the primary heating source, stoves or portable room heaters, and those units with no heating equipment. Although the use of these data items obviously does not constitute the full range of criteria by which substandardness is determined, they are the only Census data items which are directly applicable. Table 13 indicates the number of occupied housing units in Oakland which are in these categories. Using these two

indicators only (and not allowing for any overlap), approximately 13,300 housing units in Oakland could be considered substandard. As shown in Table 14 this is only half of the estimated number of substandard units in the City.

Table 14 shows an estimate developed for the condition of the City's housing stock as of January, 1977. The estimate is based on 1966 housing condition proportions as applied to 1977 housing unit counts. It was not based on field survey data and should be regarded as an indication of current housing condition rather than as statistically accurate data.

Almost 7,000 units have been demolished since the 1966 survey, many of which, presumably, were the most dilapidated in Oakland; in spite of this, however, general housing conditions appear to have worsened. For a number of reasons large numbers of housing units formerly in good condition have developed significant problems. Many of those problems occurred in "vacant and abandoned housing," a housing condition first noticed in Oakland in 1968 and a condition heretofore virtually unheard of on the West Coast, let alone in Oakland. These are homes that have become vandalized and dilapidated and may or may not be boarded up; in some cases, they may have suffered fire damage. The main distinguishing feature of these homes is that proprietary interest is virtually nonexistent; the owners have, in effect, abandoned them although many are still on the tax rolls. In 1975 it was estimated that there were 1,200 such units in East Oakland alone, although a recent survey in 1976 estimated that the number had dropped to 800 units. Vacant and abandoned units are the most blighting occurrence that can happen to a neighborhood; if they are not rehabilitated or demolished, they can cause a deteriorating "ripple effect" on the surrounding residences.

## Problems and Obstacles

Substandard housing is the result of a number of significant problems including the failure of the housing market to encourage investment in rehabilitation and the lack of financial resources to maintain the existing housing stock. There are a number of obstacles to solving these problems, including governmental, real estate, and property owner attitudes and practices. This section discusses the economic, social, physical, and governmental problems and obstacles related to substandard housing in Oakland.

### ECONOMIC

In an open market, the interaction of supply and demand should desirably result in an efficient allocation and use of resources. With substandard housing, however, the market has failed to operate efficiently in the interest of the community.

The most obvious economic problem related to housing is the general economic health of the population. Oakland's large low-income population virtually guarantees a substandard housing problem. Low-income owner-occupants have difficulty properly maintaining their homes, and low-income tenants often cannot afford rents which would enable property owners to undertake adequate maintenance. Although the city, state and federal governments have a wide range of housing programs, the basic problem persists. This problem will probably never be completely resolved until full employment exists and adequate subsidies are available to all persons unable to work.

The housing market itself contributes to the problem in a number of areas. Until the recent phenomena of declining housing starts and the resultant high demand for housing, housing was often viewed like an automobile that could be easily disposed of. Financial institutions did not show too much interest in investing in rehabilitation. New homes were available at comparatively reasonable prices in the suburbs, and older units could

TABLE 13

Substandard Occupied Housing  
Indicators by Tenure:  
Oakland, 1970

	<u>Owner-Occupied</u>		<u>Renter-Occupied</u>		<u>Total Occupied</u>	
	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>
Total Units	58,831	100.0	80,000	100.0	138,831	100.0
Units lacking one or more plumbing facilities	365	0.6	4,236	5.3	4,601	3.3
Units with substandard heating equipment	1,995	3.4	6,733	8.4	8,728	6.3

Source: 1970 Census of Housing.



TABLE 14

Estimated Total Housing Units By Condition:  
Oakland, 1977

Condition of Structure Category	<u>Total Housing Units</u>		<u>Total Single-Family Units</u>		<u>Multi-Family Units</u>	
	<u>Units</u>	<u>Percent</u>	<u>Units</u>	<u>Percent</u>	<u>Units</u>	<u>Percent</u>
Total Units	149,337	100.0	71,295	100.0	78,042	100.0
Sound	122,643	82.1	59,459	83.4	63,184	81.0
Deteriorating, Reha- bilitation Probably Feasible	19,182	12.9	8,500	11.9	10,682	13.7
Deteriorating, Reha- bilitation Probably Not Feasible	4,792	3.2	2,038	2.9	2,754	3.5
Dilapidated	2,720	1.8	1,298	1.8	1,422	1.8

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Source: Oakland City Planning Department based on building permit records as of January 1, 1977 and on the 1966 701 Residential survey.

provide shelter for the low income population until demolished for a cycle of new construction. The astronomical rise in the cost of new housing construction is beginning to change this philosophy, although it is still prevalent.

The market's imperfections are further illustrated by the fact that a person can benefit or suffer from his neighbors' attention to or lack of property maintenance. In a well-maintained neighborhood, the owner of a substandard unit benefits by the investments of his neighbors. His property values will stay high even if he does not spend money on repairs. Thus it is profitable for him to maintain his unit in a substandard condition, in spite of the cost to his neighbors and tenants. Conversely, a property owner is reluctant to rehabilitate

his property if the adjoining structures are in poor condition since the subsequent added value most likely will not reflect his costs.

Sometimes owners of substandard property within deteriorating neighborhoods want to make improvements, but are prevented from doing so because they cannot get loans. The practice of financial institutions to make improvement loans on the basis of geographic location, rather than individual credit, speeds the cycle of decay in these deteriorating areas.

Tax deductions are yet another major incentive to the maintenance of substandard housing. By taking accelerated depreciation on rental property and avoiding any further improvements, property owners can make a profit from newly-acquired

substandard property. Not only is the rent mostly profit if no money is spent on maintenance, but the property also offers large tax deductions until it is sold at the end of the depreciation period. In addition, the tax treatment of some repairs as capital improvements instead of operating expenses might act as a deterrent to rehabilitation. While the net effect of Federal tax structure on housing is unclear, it definitely shapes the incentive pattern for investors in real estate.

The local property tax system also discourages rehabilitation. Since an improved property is given a higher assessed value, a property owner may avoid rehabilitation for fear of having his taxes raised.

#### SOCIAL

Housing cannot be viewed as merely a form of financial investment. Rather it is also a product of social attitudes and values and, retrospectively, a reflection and determinant of the society we live in. To a certain extent substandard housing is a product of the persons that own it or live in it; it can certainly degrade the quality of life for households utilizing such housing. Simple elimination or even rehabilitation can however, cause more problems than it solves, especially for low-income households for whom substandard units may be the only available source of housing they can afford.

For example, some low-income homeowners, particularly fixed-income elderly, can be forced to abandon their homes if building code and maintenance standards are too rigidly enforced. Often they cannot afford to invest in their property, even if loans are available. Similarly, substandard housing provides homes for low-income renters. In this case, demolition of a dilapidated rental building means a loss of a place to live for its low-income occupants. Even improvements on deteriorating properties can mean higher rents, which in

turn could force low-income residents to move out.

One factor contributing to substandard housing is the lack of experience on the part of some homeowners with the financing, planning, and carrying out of major repairs or rehabilitation work. In some cases, this lack of experience extends to ignorance of the range of maintenance activities necessary to keep a house in good condition and how to budget for such maintenance costs. In a similar vein, some homeowners are not familiar with home loan instruments and such mortgage terms as "delinquent," "default," and "foreclosure"; or with their options for redress when they fall in arrears in their house payments. This ignorance has led to situations where low equity homeowners, who are behind in their house payments and have received a delinquency notice, abandon their property which, when vacant, often become vandalized. They are not aware that they have not yet lost legal interest in the property or that the mortgage holder may be willing to negotiate the problem rather than go through foreclosure proceedings.

This situation represents an element of distrust and antagonism between some of the important principles of the shelter industry: the tenant or homeowner, the financial institution, and the rental property owner. All three parties often feel that the other is ready to take advantage of them, an attitude that sometimes results in vandalism, housing discrimination, and unavailability of financing.

Perhaps the most destructive factor is the general lack of appreciation for housing as a valuable resource and the apparent ease with which society allows this resource to be destroyed. New housing is of course, much more expensive, in real terms, than existing or rehabilitated substandard housing. When demolition removes units because of lack of investment, poor maintenance practices, or vandalism, replacement usually does not occur; if replaced at all, it is done at a cost to the general public either in increased housing costs or with federal subsidies.



## PHYSICAL

The basic physical factor leading to housing deterioration in Oakland is the age of the housing stock. In 1970, 53 percent of the housing units in the city were built before 1939. A large share of the East Bay's older housing is in Oakland. While the city had only one-third of the housing units in the East Bay in 1960, it contained more than half of the housing constructed prior to 1930. As a result, Oakland has a higher potential for substandard units.

Another physical aspect of substandard housing is the difficulty and expense of rehabilitating an old house. In some cases, rehabilitation may be more expensive than constructing a new building in its place. There are numerous reasons for the expense associated with rehabilitation. To begin with, it is simpler to construct a new house than to rehab it. In new construction, exact costs and manpower needs are known, material deliveries and subcontracting can be scheduled, and the value of the finished product is easily computed. In contrast, rehabilitation is rife with uncertainties: estimates for those things not immediately visible (such as wiring) must be approximated, manpower needs are sometimes evident only after work has been initiated, and the increase in house value as a result of the work is sometimes difficult to ascertain.

Because the problems of different dwellings vary, it is difficult to achieve economies through large-scale rehabilitation. Moreover, reconstruction operations are likely to be slow because many materials must be custom-cut to fit the existing structural frame. Both laborers and supervisors must be especially skilled since many more decisions must be made at the work site.

Other less obvious factors, such as the proximity of commercial and industrial land, may contribute to substandard housing in Oakland. Heavy industrial uses may be linked to the deterioration of nearby houses. Freeways,

rapid transit systems, and railroads, may further neighborhood deterioration by traffic congestion, noise, and pollution.

A final physical factor is the presence of vacant and abandoned housing. The visual blight of such housing is compounded by vandalism and the litter and disrepair of the property. Even attempts to secure such buildings with unpainted plywood shutters over the doors and windows are unattractive.

## GOVERNMENTAL

Local, regional, State, and Federal governmental agencies all have assumed some degree of responsibility for providing every citizen with a safe, sanitary, and decent place to live. In some cases governments are not adequately organized to meet the responsibility they have accepted. In other cases, competing governmental efforts actually may interfere with this goal. A number of governmental actions make solution of the substandard housing problem more difficult.

One type of government action which could foster substandard housing is inappropriate zoning. For example, industrial zoning of a predominantly residential area could prevent major reconstruction of a residential building after a fire. Such zoning could increase the difficulty for the owner to get loans, since lending institutions may hesitate to accept as collateral a building which not only might lose value due to nearby industrial activities but might, if fire occurs, have to be demolished.

Similarly, high density residential zoning in a predominantly single-family low density area can contribute to the deterioration of the area. This type of zoning "mismatch" can result in three situations. First, there are potential psychological effects: homeowners may feel that upgrading their homes is futile if there could be a large influx of multi-family units into the neighborhood, thereby changing the area's character. Secondly, deterioration may occur from speculative investors. Property owners may



hold property until the market, interest rates or necessary financing is appropriate for redevelopment. The property is not maintained, and income from the property is "milked" as profit. The last consequence of such zoning occurs when high density development occurs in isolated locations. Abutting properties are impacted by congestion, shadows producing loss of sunlight, and loss of privacy. For further discussion on the impact of zoning in Oakland's residential areas, refer to the City's Land Use Element.

Government codes designed to regulate the construction and rehabilitation of housing may in some cases discourage rehabilitation efforts. The Oakland Housing Code regulates existing structures and requires that they be brought up to and maintained at a level equivalent to those standards which were in existence at the time of the structure's construction. The inspection process associated with the code requires that all violations detected must be recorded and abated. The time period for remedying the situation varies with the severity of the violations. Generally those situations which involve definite and immediate health and safety hazards must be abated quickly. The fact that all violations are recorded and eventually must be corrected may tend to discourage persons from seeking inspections if they feel that there would be more expense as a result of such a process. Persons wishing to make modifications to a structure may either be discouraged from doing so at all or may try to do so without the benefit of City inspections.

In the application of the housing conservation process, two other associated problems have also occurred: (1) proliferation of vacant lots and (2) deterioration of the architectural integrity of the City's housing stock. The first--vacant lots--has become a problem because they become, in many cases, dumping grounds for garbage, abandoned vehicles and the like. The problem is all the more serious because it constitutes a long term expense to the City for annual clean-up campaigns. This problem may grow as more and more structures are demolished through code enforcement.

At one time, Oakland had more Victorian housing

than perhaps any city on the West Coast. In addition to Victorians, Neo-classic, Craftsman, and Period Revival styles are well represented throughout the city. This architectural diversity represents a wealth unequalled in the surrounding suburban communities. But misguided or uninformed efforts at rehabilitation (for example, removing embellishments from a Victorian and stuccoing its exterior) have eroded the City's architectural heritage.

Lack of up-to-date governmental information of the condition of housing constitutes another problem. The last survey of housing condition in the City (with the exception of some inadequate data from the 1970 census) was in 1966. The special pretest census in 1977 and the 1980 census is not expected to improve the situation. This makes it very difficult for the City to monitor the effect of its programs on the quality of the housing stock and to alter or redirect programs, if necessary.

Finally, lack of funds is a perennial problem. To eliminate substandard housing in Oakland, without also depriving low-income residents of a place to live, requires substantial subsidies. Despite the amount of federal dollars annually available to the City for housing rehabilitation, the need far outstrips the potential dollars available.

## City of Oakland Policies

This section presents City of Oakland policies dealing with substandard housing. Most of these policies are a response to the problems and obstacles previously identified.<sup>1</sup>

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<sup>1</sup>The policies followed by an "E" are existing policies found in the Oakland Policy Plan; those followed by an "M" are modifications or elaborations of policies previously adopted; and policies followed by an "N" are new policies developed as part of the most recent Housing Element Study.

1. *The City will take all feasible steps to remove from the housing supply dilapidated units impossible to rehabilitate. However, it will first make certain that adequate and affordable substitute housing is available for those persons who must be relocated. (M)*
2. *The City, in its code inspection and rehabilitation programs, will provide or assist in obtaining rehabilitation loans and grants, counseling and other follow-up services as needed, as well as relocation aid if required. (M)*
3. *The City intends that all sales housing, including buildings converted to condominiums, have pre-sale inspection for conformance to applicable and appropriate codes. (M)*
4. *As soon as resources permit, the City will initiate an inspection program for all housing, followed by periodic reinspections, aimed at maintaining housing units in sound condition. (M)*
5. *The City actively supports revision of income and property tax laws to encourage housing stock rehabilitation and to discourage the continuation of substandard housing. (E)*
6. *The City vigorously discourages lending institutions from using "high risk" geographic areas (redlining)--rather than individual household credit--as a basis for screening, rejecting, or limiting home loan applications to buy or rehabilitate housing. (N)*
7. *The City recognizes that housing is a valuable resource that should be carefully conserved and maintained and will take all necessary steps to prevent damage to the City's occupied or vacant residential property. (N)*

8. *The City supports voluntary neighborhood efforts to correct blighting conditions such as trash and debris, peeling paint, and poor landscape maintenance. (N)*
9. *The City encourages rehabilitation efforts which respect the architectural integrity of a building's original style. (N)*

The Oakland Policy Plan contains other policies in the sections on "Land Use and Urban Design" and "Renewal" which also relate to the problem of substandard housing. As has been discussed previously, the physical environment surrounding housing units may contribute to their deterioration. The additional policies in these two sections are aimed at those activities which would tend to disrupt residential areas; they involve positive actions which the City can take to retard deterioration and maximize its rehabilitation efforts.

## Programs and Strategies

Traditionally, there are two actions which can be taken to deal with substandard housing: rehabilitation and demolition. However, there are programs which prevent substandard situations from occurring in the first place. The City supports a variety of preventative programs, including code inspection and home management counseling. Where preventative actions are not effective, the City supports rehabilitation efforts and considers demolition an action of last resort. Rehabilitation is less likely to disrupt residential neighborhoods and conserves the existing supply of the City's housing. Rehabilitation, however, is probably the most difficult action to undertake for it not only deals with the physical aspects of substandard housing units but also with associated economic and social problems. Recent years have seen Federal and State governments provide an array of program and funding opportunities which the City has utilized. The City programs are generally designed to encourage and assist investment in the rehabilitation of existing housing while removing those structures



which are considered infeasible for rehabilitation.

## EXISTING PROGRAMS

### Federal Actions

The following programs are presently operating in Oakland.

- The Federal Housing Administration (FHA). FHA rehabilitates more units in Oakland than any other organization. FHA is generally required to rehabilitate units which have been repossessed after foreclosing on FHA-insured loans. However, in recent years a number of FHA properties have been sold "as is." For the most part, private investors and speculators have rehabilitated these units for resale. FHA also has a market rate loan insurance program (Title I) for home improvement loans.
- Section 8 Program for Rehabilitation. Federal rent subsidies under Section 8 of the Housing and Community Development Act of 1974 can be used in conjunction with rehabilitation efforts. This housing assistance program provides payments to owners to make up the difference between fair market rent and the 25 percent of income paid by renters certified for the program. Section 8 allocations will provide long-term commitments of housing assistance payments which can be pledged as security for mortgage loans or HUD/FHA insured mortgages.
- Section 312 Rehabilitation Loans. HUD makes available low-interest loans through the City for the rehabilitation and improvement of homes in Urban Homesteading, Urban Renewal, and other specified areas.
- Veterans Administration Guaranteed Loans. VA guarantees loans for the purposes of buying, repairing, rehabilitating, or refinancing veteran owned and occupied

dwellings. Because of the VA guarantee, the veteran may not be required to make a down payment.

- Community Development. This program from the 1974 Act provides Oakland with block grants which have become the main funding support for the City's housing rehabilitation programs.

### State Actions

- Grove-Shafter Replacement Housing. This program will provide 100 units of cooperative housing from rehabilitated buildings in the Oak Center Project area and 160 units of rehabilitated single family homes in East Oakland. These units and others, which are intended to replace housing demolished for the Grove-Shafter Freeway will be for Freeway displacees and other eligible families. The program is funded with \$5,000,000 from the California Department of Transportation and receives supporting services from the City's Office of Community Development.
- California Housing Finance Agency. This agency is authorized to guarantee bonds and to insure loans for the rehabilitation of existing housing. It will also provide purchase and rehabilitation loans to low and moderate owner-occupants of single-family homes.

### City Actions

- Home Maintenance and Improvement Program (HMIP)- Owner-occupied Housing. This program provides low interest and deferred rehabilitation loans to low- and moderate-income owner-occupants in the seven Community Development Districts. It is funded with Community Development Block grants.
- HMIP-Vacant Housing. This program acquires, rehabilitates, and sells formerly vacant and dilapidated homes to low- and moderate-income families. Community Development funds are used for operating, construction, and subsidy expenses, while take-out loans (first mortgages for the home buyers) are provided through the Section 235 program, banks, and savings and loan organizations.



- Urban Homesteading. This program utilizes vacant properties made available by the Department of Housing and Urban Development (HUD) which are then conveyed to selected low- and moderate-income applicants for one dollar plus incidental fees. Participants must agree to bring the dwellings up to standard condition and must occupy them for a minimum of five years. Section 312 rehabilitation loans are available to participants and persons living in the homestead target areas. Also, HUD Section 810 monies are available for acquisition of properties.
- Paint and Weatherization. This program provides free painting and weatherization services; applicants must be low-income homeowners. The program is funded through the Community Services Administration, The Comprehensive Employment Training Act, and Community Development.
- Self-help Paint. Free paint and limited technical assistance is provided to low-income homeowners who agree to paint their own homes. Community Development funds support this program.
- Vacant Building Abatement. This inspection program concentrates on seriously dilapidated vacant structures in an effort to decide whether the building can be rehabilitated--by the owner or the City--or must be demolished. The program is supported by the General Fund and Community Development Funds. It includes a "Clean up and Security" component to board up houses and clean premises, and a "Public Nuisance Demolition" component to demolish dilapidated buildings that can't be rehabilitated.
- Home Counseling. This Community Development funded program provides counseling for families receiving rehabilitation grants and loans and for families experiencing defaults or delinquencies on

their mortgages. The program also provides pre- and post-occupancy and consumer counseling, has the responsibility for carrying out the City's fair housing policies, and organizes home repair classes.

- Rehabilitation Cleanup. This Community Development sponsored program removes neighborhood junk and debris, cleans vacant lots, and removes abandoned automobiles.
- Oak Center Redevelopment Project. The basic purpose of this project is to rehabilitate homes in West Oakland; Section 312 loans have been made available to involved homeowner.
- MARKS-FORAN Rehabilitation Loan Program. This State-originated program would provide a source of below-market-rate funds for rehabilitation throughout the Community Development Districts. Funds would be generated through revenue bonds issued by the City and secured by revenues from the program.

#### Nonprofit Organization

- Oakland Better Housing Inc. (OBHI). OBHI has a record of successful experience in the purchase, rehabilitation, and sale of vacant houses. Its present vacant house program utilizes borrowed funds from Community Development to purchase and rehabilitate vacant houses. The City charges no interest on the CD funds which are returned upon sale of the rehabilitated properties. OBHI also receives support from the Community Services Administration and the San Francisco Foundation.
- BA City Improvement and Restoration Program Inc. (BACIRP). This nonprofit subsidiary corporation sponsored by Bank of America will buy, rehabilitate, and resell up to 30 houses in East Oakland. The program will be supported through a line of credit from Bank of America and will receive Community Development support services.
- Neighborhood Housing Services Inc. This program operates in the Elmhurst District; it provides

rehabilitation and financial counseling, makes referrals for financial assistance, administers a rehabilitation revolving loan fund for low-income households, and participates in various neighborhood revitalization projects. It is supported by funds from Community Development, loan institutions, the State of California, and various foundations.

-Savings Associations Mortgage Company, Inc. (SAMCO). This organization represents 27 Savings and Loan Institutions which provide a pool for spreading the risk on inner-city loans. SAMCO does not originate loans but operates through member institutions who operate in Oakland.

-West Oakland Housing Inc. This organization provides counseling, financial services, and supportive services for low income persons improving or rehabilitating their homes. They presently support their activities through a revolving fund established under the Model Cities Program.

#### NEW PROGRAMS

In addition to these operational programs there are a number of other programs that are pending or being considered for possible implementation within the City.

#### State

-State Housing Finance Agency Neighborhood Preservation Program. This provides funds for rehabilitation in designated target areas. Applications for the program have been submitted and designation of five target areas within the CD Districts have been approved by the State Housing Finance Agency (HFA); the City will negotiate with HFA for the allocation of funds.

In addition to the above, City staff is:

1. Contracting out administrative services

supporting rehabilitation activities to profit-motivated and non-profit contractors.

2. Supporting a special Section 8 rehabilitation program that may result in the rehabilitation of large multi-family, low- and moderate-income housing.
3. Developing an "infill" project which would move buildings slated for demolition (because of street-widening or redevelopment activities) to vacant lots for rehabilitation.
4. Producing an illustrated guide to the proper techniques of rehabilitation and home improvement which do not destroy the architectural character of the City's residential housing.
5. Developing a program which would provide low-interest loans to owners of multi-family units in need of rehabilitation (rents would be raised only to the extent of covering debt service).
6. Developing a "handyman" program which would provide corrective work for minor code violations for the low-income elderly homeowner. The program would employ elderly, retired craftsmen to provide light repair and maintenance work for small jobs not applicable under the loan rehabilitation program.

While much is being done, the City's attack on substandard housing will not be totally effective unless additional problems are addressed. Toward this end, the City will attempt to:

1. Develop an information system on the condition of housing in order to evaluate the effectiveness of public and private efforts and modify or develop programs where a need is indicated.
2. Provide alternatives to demolition for buildings that have unique architectural values or are in substantially good condition structurally but are presently infeasible for rehabilitation.







## Overcrowding and Housing Production

Three housing issues --overcrowding, housing production, and housing costs --are closely linked. This chapter discusses the changing composition of Oakland households as related to housing production and overcrowding. Then the extent of overcrowding, the degree of concentration, and housing production is set forth and associated problems and obstacles are discussed followed by policies of the City and programs and strategies in response to these issues are then set forth.

### Extent of Problem

The changes and fluctuations in the size and number of Oakland households have a direct bearing on overcrowding, cost, and production problems. These changes are shown in Table 15. Oakland experienced a slight increase of almost four percent in the total number of households from 1960 to 1970. Every category of household size decreased during this period with the exception of one and seven-

person households. The most dramatic change was in one-person households which increased by nearly one-third--an addition of some 10,000 households. Seven-person households showed a more modest increase of approximately 1,000. Generally, the Census reveals that larger families have been declining in number and that single individuals are rapidly becoming the most numerous type of household in Oakland.

Although there has been a shift toward smaller households, housing production has not kept pace with this trend. The 1970 data, as presented in Chapter II, indicates that there have been increases in the number of housing units with one, two, and three or more bedrooms. The only decrease was in those units with no bedrooms. Such units decreased by approximately 25 percent in the ten year period. This sharp decrease might be accounted for in part by the removal of multi-family units through code enforcement and land clearance projects. A gross comparison of the number of one and two person households in 1970 and the number of zero and one bedroom units in 1970 indicates that there is a deficiency of approximately 33,500 units. This data suggests that a large portion of one and two person households are occupying housing units of a larger size than they need. This in turn tends to reduce the total number of units available for larger households.

### OVERCROWDING

Overcrowding is one of the most pervasive housing problems in Oakland, second only to the problem of households paying more than they can afford for housing. The 1970 Census indicated that 10,232 of the City's households experienced overcrowded conditions. The conventional measure of overcrowding is a housing unit occupied by more than one person per room. For example, a typical two-bedroom apartment--including kitchen, bathroom (not counted as a room) and living-dining room--would be overcrowded if it had more than four occupants. By this standard a total of six percent of all owner-occupied and 8.3 percent of

TABLE 15

Total Households By Number of Persons in Household:  
Oakland, 1960 and 1970

Number of Persons in Household	1960		1970		Change	
	Number	Percent	Number	Percent	Number	Percent
Total	133,843	100.0	138,827	100.0	+4,984	+ 3.7
1	33,557	25.1	43,960	31.6	+10,403	+31.0
2	44,752	33.4	44,291	31.9	- 461	- 1.0
3	21,845	16.3	19,680	14.1	-2,165	- 9.9
4	15,325	11.4	13,525	9.7	-1,800	-11.8
5	9,052	6.8	7,942	5.7	-1,110	-12.3
6	4,544	3.4	4,340	3.1	- 204	- 4.5
7	2,250	1.7	3,270	2.4	+1,020	+45.3
8 or more	2,518	1.9	1,819	1.3	- 699	-27.8

Sources: 1960 and 1970 Census of Housing

renter-occupied units were overcrowded. Seven percent of the total housing stock was overcrowded in 1970.

There is little dispute that overcrowded conditions have an adverse effect on affected households and the housing itself. Overcrowding arises more often than not when families cannot find adequate housing at prices they can afford. From the household perspective, overcrowding means loss of privacy, inadequate kitchen and plumbing facilities, and generally an inadequate living environment. It is also difficult if not impossible to keep up regular household maintenance as the overcrowded living spaces bear the brunt of accelerated wear. The economics that lead to overcrowdedness preclude, in many cases, the associated increase in repair and maintenance requirements. When overcrowding does occur, it can often lead to accelerated deterioration in the City's housing stock. Thus, overcrowding is both a symptom of an inadequate housing supply and a cause of substandard housing.

Overcrowding within the rental stock, 8.3 percent in 1970, has decreased appreciably since 1960, at which time 10.5 percent of this housing was overcrowded. However, in the owner-occupied category, the proportion of overcrowded units has increased slightly from the 4.9 percent figure in 1960 to 6.0 in 1970. It is expected that overcrowding will continue to increase in the near future in the absence of active governmental construction programs and the existence of high housing costs and a high demand for housing.

Overcrowding is concentrated among certain ethnic and economic groups and in certain areas of the City. It occurs more frequently among black and Spanish households. In 1970, 14.6 percent of all black-occupied units, and 15.7 percent of all Spanish-occupied units were overcrowded.

Geographically the greatest amount of overcrowding is found in Oakland's flatlands, where there is also concentration of the City's low income population. East Oakland, West Oakland and Fruitvale contain the greatest degree of overcrowding,

TABLE 16

Persons Per Room In Owner-Occupied Units:  
Oakland, 1960 and 1970

Persons Per Room	1960		1970		Change	
	Number	Percent	Number	Percent	Number	Percent
<u>Total</u>	<u>63,607</u>	<u>100.0</u>	<u>58,831</u>	<u>100.0</u>	<u>-4,776</u>	<u>- 7.5</u>
.50 or less	37,842	59.5	36,977	62.9	- 865	- 2.3
.51 to .75	13,768	21.6	10,758	18.3	-3,010	-21.9
.76 to 1.00	8,849	13.9	7,527	12.8	-1,322	-14.9
1.01 to 1.50	2,445	3.8	2,607	4.4	+ 162	6.6
1.51 or more	703	1.1	962	1.6	+ 259	36.8

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Sources: 1960 and 1970 Census of Housing

TABLE 17

Persons Per Room In Renter-Occupied Units:  
Oakland, 1960 and 1970

Persons Per Room	1960		1970		Change	
	Number	Percent	Number	Percent	Number	Percent
<u>Total</u>	<u>70,236</u>	<u>100.0</u>	<u>80,000</u>	<u>100.0</u>	<u>+9,764</u>	<u>+13.9</u>
.50 or less	30,164	42.9	42,034	52.5	+11,870	+39.4
.51 to .75	15,829	22.5	15,521	19.4	- 308	- 1.9
.76 to 1.00	16,840	24.0	15,782	19.7	-1,058	- 6.3
1.01 to 1.50	4,914	7.0	4,439	5.5	- 475	- 9.7
1.51 or more	2,489	3.5	2,224	2.8	- 255	-10.6

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Sources: 1960 and 1970 Census of Housing



while the Oakland Hills and the apartment area near the Lake have relatively little. Generally, areas with a high proportion of homeownership and higher incomes have a lower incidence of overcrowding. Between 1960 and 1970 overcrowding decreased in three areas of the City (North Oakland, West Oakland and Fruitvale), increased in three others (East Oakland, South Central Oakland, and North Central Oakland), and remained the same in the Oakland Hills.

TABLE 18

Overcrowded Housing Units By 701  
Household Areas: Oakland 1960 and 1970

Household Area	Percent Overcrowded	
	1960	1970
Total	8.2	7.4
East Oakland	20.4	21.3
Fruitvale	12.9	12.2
West Oakland	16.3	11.2
North Oakland	10.0	8.7
South Central	5.3	8.0
Hills	2.3	2.3
North Central	2.1	2.2

The increase in overcrowding in East Oakland And South Central Oakland, together with the drop in West Oakland and the high concentration in Fruitvale, can be explained partially by the relocation of families from West Oakland (as a result of major demolition programs in that area). The data do not show specifically that the displaced people moved into or out of overcrowded quarters. However, evidence suggests that much of this displacement resulted in overcrowded households.

The recent localized high demand for single family housing in Oakland is expected to increase the incidence of overcrowded housing. For example, there has been a recent heavy demand and a dramatic increase in prices for family housing in some parts of the City. Homes formerly rented in North Oakland are being converted to owner-occupied units, and rents for the remaining multi-family and single family units have increased significantly. The result is that lower income renters are being gradually forced out of the area and must compete with other low income households for a dwindling supply of lower priced housing. This situation, which could become more widespread throughout the City, tends to exacerbate the overcrowding problem.

HOUSING PRODUCTION

Overcrowding in Oakland is associated with a mismatch in the City's housing supply. In 1970 more than 74 percent of all four or more bedroom owner-occupied units had households of five persons or less. Additionally, over half of the renter-occupied units with three or more bedrooms had households with four or less persons. Consequently, large lower-income families requiring large units are forced to compete financially for such housing. But these families should probably spend less than the 25 percent of income standard for housing since other necessary expenses take a large share of their income. Even if the housing market produced a sufficient number of appropriately sized housing units, lower income families could not afford them. Thus larger, poorer families are left with little choice but to overcrowd when they cannot afford large units.

The type, quantity, and cost level of housing units produced have a direct bearing on this problem. In an ideal situation, housing would be produced which would respond to all segments of the housing market both by size and price. Generally, however, housing which meets the greatest economic demand is most likely to be built. As a result, new construction since 1970 has been virtually limited to single family homes in the Hills and apartment units for the middle and upper middle income market segments. Further, the net gain of housing units (residential housing starts minus demolitions) in

Oakland has dropped from a high of 1,158 units in 1970 to a low of 151 units in 1975. This tightening of the housing supply is all the more serious when it is noted that almost all demolitions during this period occurred in lower income areas. Involuntary overcrowding of poor families is likely to continue given this production-demolition-cost relationship

#### HOUSING COSTS

The cost of housing in Oakland increased significantly between 1960 and 1970. The median value of owner-occupied units rose from \$14,200 in 1960 to \$21,300 in 1970. Median monthly rent also increased from \$73 in 1960 to \$116 in 1970. Although comparable data is not available, it is evident that housing costs have increased at an ever accelerating rate since 1970. Chapter II notes that a joint HUD and Census Bureau report shows the price of owner-occupied, single family homes increased 59 percent from 1970 to 1974. In the last six months of 1976 the average selling price of units listed by the Oakland Board of Realtors in their multiple listing service for Oakland zip code areas was \$44,220.<sup>1</sup> While other factors are involved, a good part of this increase can be attributed to the higher costs of new construction. Family income, however, has not kept up with this cost increase. A news service item concerning a Congressional Budget Office report shows the cost of a new home increased twice as fast as the family income of first-time purchasers between 1970 and 1975. In addition, the cost for existing homes rose about one and one-half times as fast as income for first-time purchasers.

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<sup>1</sup>This figure includes the zip code area containing most of the City of Piedmont, Montclair, and the Piedmont Avenue Neighborhood. If these areas were excluded, the average selling price would be \$40,887.

Four general components affect the overall cost of new housing: purchase price (land and construction costs), mortgage interest payment, maintenance and repair, and property taxes. Each of these factors, in recent years, have contributed to a significant rise in housing costs. Nationally, the overall homeownership cost (made up of the four components above) rose 40.1 percent between 1967 and 1972<sup>2</sup>, it has most likely risen at least at that rate since then. The sharp increases in housing costs have consistently made it more difficult for poorer families to obtain adequate housing. Large poor families especially cannot afford housing of adequate size even if it becomes available. It is also likely that increasing numbers of middle income households are being priced out of the homeownership market and are turning to rental housing. In the future, more and more families, both low and middle income, may be forced to double-up with other families to obtain homeownership status.

### Problems and Obstacles

The problem of overcrowding is the product of a number of related factors. Physical, governmental, and socio-economic factors each have contributed to the problem.

#### SOCIO-ECONOMIC

Perhaps the most difficult factor to overcome has to do with the composition of those families who are experiencing overcrowding problems. For the most part these families tend to have more children than the average family and are also poorer. Most families in this situation have no other choice than to overcrowd themselves given their economic means. A portion of all overcrowded families

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<sup>2</sup>Housing in the Seventies, U.S. Department of Housing and Urban Development, October 1973.



prefers this situation for a variety of reasons. Kinship and family ties may be important factors, and savings in housing costs can be realized by utilizing smaller units. In other instances a family may endure crowded conditions to remain in a specific neighborhood. It is extremely difficult to determine the extent to which there is voluntary overcrowding. For those families who are overcrowded because of their economic situation, a solution to their dilemma relies primarily on methods which, in one way or another, increases their real income. For lower income families there is some recourse available through the existing housing subsidy programs.

#### PHYSICAL

The physical problems associated with overcrowding are related to both the availability and condition of housing. The supply of housing in Oakland is actually sufficient to accommodate every household. A simple comparison of all households by size and all housing units by number of bedrooms indicates that in 1970 there were enough housing units of proper size to house every household. The fact there are overcrowded units in the City makes it apparent that there is a problem in the distribution of available housing. As we mentioned earlier, small households occupy a large percentage of the larger units in the City. Elderly persons in many instances occupy larger units although their children have long since moved from the units. More affluent families in many cases seek extra rooms for a variety of reasons. What is termed an adequately sized housing unit is strictly a matter of family choice and financial means. There are no feasible means to effectuate a redistribution of units except through incentives which would make it attractive for some households to voluntarily shift to smaller quarters. Beyond this, the likelihood of solving the overcrowding problem by shifting families is minimal.

The other facet of overcrowding relates to the physical condition of the housing supply. Overcrowded housing conditions place undue stress on the condition of the units. The correlation between overcrowded units and increased deteriora-

tion is high. Maintenance costs for housing are a burden for low income families, and the accelerated pressures resulting from overcrowding simply amplify the problem. Solutions aimed at upgrading deteriorating housing may actually result in increased overcrowding if they ultimately result in displacement. Therefore, obstacles to the solution of the problem may actually be generated by actions which seek to alleviate some other specific housing situation.

#### GOVERNMENTAL

There are many governmental actions which if viewed singly seem to encourage overcrowding, especially of lower-income families. Code enforcement may in some instances increase overcrowding. A vigorous code enforcement program without companion programs to rehouse families or to provide financial support for rehabilitation could result in a loss of low-rent units within the available supply. This loss may actually encourage doubling up to the extent that displaced families are not able to secure adequate housing.

Governmental actions which require removal of housing create additional problems. Chapter III notes that since 1966 almost 7,000 housing units have been demolished due almost exclusively to code enforcement, highway and rapid transit construction, street widening, and redevelopment activities. In most instances, the units removed were low to moderate-income housing and, except in a few isolated cases, were not replaced with comparably priced housing.

The way a City zones its residential areas can also have a substantial impact on the potential for development, especially of low- and moderate-income housing. This is done in some communities by severely limiting the amount of high-density zoning or by placing a high proportion of its residential land in extremely low-density zones in order to discourage the development of lower cost multifamily housing. However, Oakland, at present, has sufficient land zoned for high and medium-density development, insuring a reasonable choice of building sites for developers. For further discussion concerning the impact of zoning on residential



development, see the City's Land Use Element.

## City of Oakland Policies

Overcrowding is a serious problem in Oakland, particularly to the City's large families, minority groups, and low-income families. An adjustment in its housing supply to accommodate existing demands and to respond to future population changes in family size is needed. The major responsibility for the housing supply will remain in the private sector, but local government should be involved. The following policies outline those areas in which the City is able and willing to become involved.

1. *The City, through its agencies, will attempt to discourage overcrowding by utilizing existing programs and seeking new programs that provide housing subsidies to families whose income would otherwise prevent them from occupying sound housing of the proper size. (E)*
2. *The City will keep well informed of imbalances between housing needs and housing supply. The City will take appropriate measures to correct imbalances when they occur. (M)*
3. *The City encourages private housing development in Oakland; it will provide assistance to developers regarding the types and location of units to be built and will attempt to expedite the development of desirable projects where necessary. (M)*
4. *The City encourages the production of a sufficient number of assisted and market rate large-size housing units to meet reasonable projections for large-size Oakland families. (M)*
5. *Condominium conversions are encouraged as a means of increasing housing choice when it can be found that such conversions will not create a shortage or have other*

*negative impacts on rental housing. The City will require that the sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers. (N)*

6. *With the backing of sufficient housing subsidies where necessary, the City and its agencies will insist that all new housing units have those qualities and amenities that will continue to make them competitive on the private market. (E)*
7. *The City will cooperate with private housing producers wherever justifiable to reduce the overall cost of housing units. (E)*
8. *The City supports efforts to develop and implement cooperative ownership and other non-profit mechanisms as a means of reducing construction, selling, and reselling housing costs. (N)*
9. *The City, where economically feasible, will cause to relocate, rather than demolish, residential property acquired for public purposes and urges Federal and State agencies to use a similar approach. (N)*

## Programs and Strategies

Two general approaches can be taken to deal with overcrowding--enforcement and increased housing availability. Enforcement would entail applying existing City occupancy standards through a rigorous inspection program. Such an approach, however, should be used only if alternate housing is available for families forced to move. The alternative approach, increasing housing availability, is based either on providing new housing of appropriate size with reasonable rents or on providing rental subsidies to allow families to seek units of sufficient size. Housing production and rental subsidy programs exist through Federal and State funding, and the City presently administers inspection and rehabilitation programs. However, the funding level of these programs is insufficient at this time to substantially resolve the City's overcrowding and

housing production problems.

#### EXISTING PROGRAMS

Programs aimed at producing additional housing are presently operating in Oakland. These programs are designed not only to provide needed units but to satisfy the space requirements of the low- and moderate-income families which will use them; many of the units, therefore, will be occupied by large families. In addition to those programs listed, the Oakland Housing Authority owns 1,894 units of three bedrooms or more for large families. In spite of the number of large units actually or potentially available, overcrowding remains a serious problem in Oakland.

##### Federal Programs

- Section 8, New Construction Program. Federal rent subsidies under Section 8 of the Housing and Community Development Act of 1974 provide assistance payments to the owners of existing rental property, making up the difference between the fair market rental of the unit and the actual rent which the low-income family can afford (approximately 25 percent of the family's income).
- Section 202, Housing for the Elderly. This program is for non-profit organizations or cooperatives which want to provide housing for the handicapped, elderly, or mentally retarded. The program provides a matching Section 8 allocation and is administered by HUD.
- VA Guaranteed Loans. Loans are guaranteed for the purpose of buying (often with no or reduced down payment) homes to be owned and occupied by veterans.
- Other HUD programs. HUD has a wide range of other programs (such as Sections 203(b), 220, and 231) which provide either mortgage subsidies or insurance for new construction but are not particularly effective in the low-

income market (see "Digest of Insurable Loans" for more information).

##### State Programs

- State Housing Finance Agency Direct Lending Program. The California Housing Finance Agency will provide Section 8 allocations in conjunction with direct below market rate loans (BMRL) directly to housing sponsors or developers to finance multi-family residential developments which will provide new housing to moderate income families.

##### City Programs

- Urban Renewal Programs. Facilitated by Federal funding, the City is promoting the construction of new housing on a number of sites. These projects include: elderly housing for the Elmhurst Neighborhood Development Program (NDP), single family housing for the Stanford/Adeline NDP, low- and moderate-income housing for the Chinatown Community Development Project, elderly housing for the Peralta Urban Renewal Project, City Center replacement housing, multi-family housing for Oak Center Development Areas 12 and 13, and Oak Center scattered site new housing.

#### NEW PROGRAMS

A number of other programs will be sponsored by the City if they prove to be feasible.

- Large Family Housing Rehabilitation. Such a program would identify vacant and/or sub-standard structures which are suitable for large families. The houses could be acquired and rehabilitated by the City and sold to either large families or property managers who agree to rent to large families at low and moderate rents. Large homes (many of them Victorian) are often demolished because the cost of acquisition, rehabilitation, and resale exceed the fair market resale price (sometimes by as little as 10 to 15 percent). This program could subsidize these marginally rehabilitable homes because they provide hard to find housing for

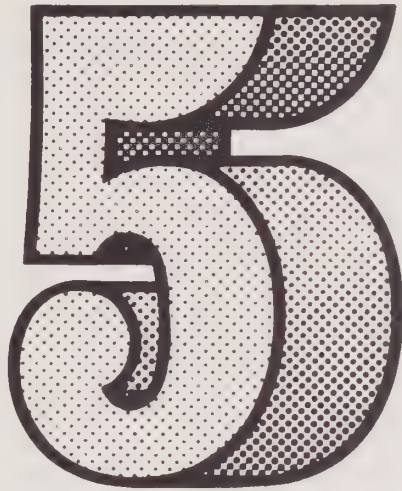
large families. It also may be possible to build Section 8 into the program.

-Cooperative Ownership of Housing. The City could promote, assist, and possibly help finance the formation of cooperative homeownership groups. Cooperatives can result in substantial savings through tax advantages, elimination of refinancing, protection of member's monthly payments from the influence of market forces, and the elimination of speculative gain.

-Monitoring Housing Production. City policies indicate the necessity of continually monitoring deficiencies in supply. Information concerning the types and quantities of needed housing units should be promulgated if the supply is to be adjusted to meet current and future needs. Such data would not only influence private production decisions but could provide a guide for public actions affecting housing supply. Such a monitoring system could be incorporated into a comprehensive housing data file which could also maintain information on housing condition.







## The Housing Needs of Low and Moderate Income Families

Housing choice is directly related to a family's economic situation. The housing market operates in a manner similar to other markets where prices are set (in the ideal situation) by an interplay of supply and demand forces. In all markets such inter-relationships result in effectively "pricing out" some persons from the market since they cannot afford to participate. The only problem with such an approach to housing is that housing itself is a basic commodity which no one can do without, even if he cannot effectively compete in an "open" market situation.

As may be expected, households which have the most significant problems in obtaining housing are those at the bottom rung of the economic ladder. Low- and moderate-income families in Oakland find difficulty in securing any housing, let alone standard housing which they can easily afford. Housing for low- and moderate-income persons consists usually of the least desirable units on the private market, or units which are provided with some governmental support.

Middle and upper income households may also have critical housing needs. Higher income groups, however, have a wide range of housing choices and can participate in the market without the constraints common to lower income households. Most new construction in Oakland, including both single family and multi-family housing, has been built, designed, and priced for this middle and upper-middle income market. But Oakland cannot expect any significant rise in population nor demand for market rate housing. Such housing is not a problem in Oakland and is not expected to be in the future.

This chapter explores the housing problems of low- and moderate-income families in Oakland. The first section discusses a variety of subjects which seek to establish the parameters of the problem in Oakland. The section concerning problems and obstacles deal with factors which hinder solutions to the problem. The remaining sections outline policies applicable to the situation and actions which could be taken to effectuate the policies.

### Extent of Problem

The extent to which housing availability is a problem for low-moderate-income persons can be quantified by several methods. But it is first necessary to establish how many of Oakland's households fall into the low- and moderate-income categories.

#### NUMBER OF LOW- AND MODERATE- INCOME HOUSEHOLDS

For housing analysis purposes in this report, a low-income household has been defined as one which met the 1970 income limits of families eligible for public housing operated by the Oakland Housing Authority. Similarly, a moderate-income family has been defined as one exceeding public housing limits but no higher than the income limits (pegged at 135 percent of a locality's 1970 public housing income limits) of HUD's so-called moderate-income housing programs (235 homeownership interest

subsidy programs or 236 interest reduction payments for rental housing).

Applying 1970 Census income data to these limits produces the information on low- and moderate-income households presented in Table 19. The table shows that in 1970 there were about 39,000 low-income households, accounting for 28 percent of all households in Oakland. Of these low-income households, 74 percent were rental households, and a significant 40 percent were one-person rental households. Most of these one person households, both rental and owner, were aged 65 or older.

Of the almost 13,000 moderate income households, constituting nine percent of total households in Oakland, only 63 percent were rental households. While one-person households accounted for a large percent of the moderate-income group, they did not dominate the distribution as they did for low-income households.

#### EXCESSIVE PAYMENTS FOR HOUSING

Having established the number of low- and moderate-income families in Oakland, how many have housing problems? A frequently used indicator of the magnitude of inadequacies in the housing supply is the number of households which pay an excessive or unreasonable amount of money for their housing.

For owners of housing, the traditional rule-of-thumb determining "excessive" housing costs is a house value equal to 2.5 or more times family income. (Presently, however, some lenders are using 3 times the family income as an upper loan limit.) Using the 2.5 standard, 21,689 owners of households for which such computations were made, had a value/income ratio of 2.5 or more, and 11,374, or 22.5 percent, had a ratio of 4.0 or more. Table 20 shows the full distribution for owner-occupied housing.

The value/income ratio is the only measure available in Census figures that allows any analysis of excessive housing costs borne by homeowners--but it is clearly inadequate. First, a more precise measure of housing costs, in place of value, would include mortgage, tax, insurance, and utility payments. Second, many of the homeowners with a high value/income ratio may be elderly or other families whose homes are either paid off or who have low mortgage payments. Third, since many people answering the census question dealing with house value had to guess as to the actual market value of their house, the data itself is questionable. Even if the value/income ratio was a meaningful indicator, additional analysis of the homeowners with high ratios who fall into the low- or moderate-income categories would be impossible since no cross tabulation by income is available. For all these reasons the determination of how many low- and moderate-income households make excessive payments for housing will be limited to rental households only.

For renters, the most accepted definition of "excessive" payments are rents equal to 25 percent or more of annual family income. Using this standard, 36,290 rental households in Oakland--48 percent of all rental households for which such computations were made--had excessive rent payments. Thirty-two percent or 24,301 households actually paid in excess of 35 percent of their income for rent. Table 21 shows, for all rental households by income, what percentage of income is spent on rent. It is obvious from this table that as income rises, a smaller percent of income is spent on rent. Starting with the "under \$3,000" income category, in which 87 percent of the rental households (for which such computations were made) paid 35 percent or more of their income on rent, and ending with the "over \$15,000" income category in which 85 percent of such households spent less than 15 percent of income on rent, the table shows a fairly predictable relationship between "gross rent as a percentage of income" and "income."

While a very large number and percentage of Oakland households are overpaying (so large, in fact, that the standard of overpaying may have to be



TABLE 19

Low and Moderate-Income Households  
by Household Size: Oakland, 1970

<u>Household Size</u>	<u>Total Households</u>	<u>Low-Income</u>			<u>Moderate-Income</u>		
		<u>Total</u>	<u>Renter</u>	<u>Owner</u>	<u>Total</u>	<u>Renter</u>	<u>Owner</u>
<u>Total</u>	138,827	38,946	28,744	10,202	12,668	7,986	4,682
1	43,960	20,519	15,471	5,048	4,046	3,018	1,028
2	44,291	8,589	5,908	2,681	4,141	1,939	2,202
3	19,680	3,584	2,648	936	1,585	1,198	387
4	13,525	2,334	1,821	513	990	719	271
5	7,942	1,621	1,166	455	686	438	248
6+	9,429	2,299	1,730	569	1,220	674	546

Source: Oakland City Planning Department based on income figures from 1970 Census of Population.

TABLE 20

Value/Income Ratios of Owner Households<sup>1</sup>: Oakland, 1970

<u>Value/Income Ratio</u>	<u>Number of Owner Households</u>
<u>Total Owner-Occupied Units</u>	58,950
less than 1.5	11,483
1.5 to 1.9	9,745
2.0 to 2.4	7,675
2.5 to 2.9	4,874
3.0 to 3.9	5,441
4.0 or more	11,374
Not computed	8,358

<sup>1</sup>Limited to one-family homes on less than 10 acres and no business on property

Source: 1970 Census of Population and Housing

TABLE 21

Rental Households by Gross Rent As A  
Percentage of Income by Income:  
Oakland, 1970

Gross Rent as Percentage of Income	Household Income						
	Total	Less than \$3,000	\$3,000 to \$4,999	\$5,000 to \$6,999	\$7,000 to \$9,999	\$10,000 to \$14,999	\$15,000 or more
Total Renter-Occu- pied Units	79,877	23,222	11,813	11,406	15,397	11 796	6,241
Less than 15 percent	17,014	74	347	1,043	3,918	6,520	5,112
15 to 19 percent	12,455	173	894	2,141	5,008	3,597	642
20 to 24 percent	9,563	396	1,489	2,726	3,894	864	194
25 to 34 percent	11,989	1,947	3,790	3,897	1,857	405	93
35 percent or more	24,301	17,529	5,036	1,294	352	84	6
Not Computed or Not Available	4,555	3,103	257	305	368	326	194

Source: 1970 Census of Population and Housing.

altered), our concern in this chapter is only with low- and moderate-income families. It is these families, presumably, who not only pay excessive rents because they can't find adequate housing for less--but who can't afford these higher rents.

How many low- and moderate-income families exceeding the 25 percent standard cannot be determined precisely. But it is possible to approximate this number by determining a minimum and a maximum number. This was accomplished by comparing within each income range the number of low- and moderate-income households and the number of all rental households paying more than 25 percent of their income on rent. A maximum was established within each income range by choosing the lower of these two numbers. (This assumes that if any family is paying excessive rents, it is going to be in the low- or moderate-income

category). A minimum was established by subtracting the number of households with incomes higher than moderate-income thresholds from the number of households exceeding the 25 percent rent-paying standard. (This makes the unlikely--but possible--assumption that the higher-income families are more likely to make excessive payments). Table 22 shows the outcome of this analysis.

At a minimum, 26,930 rental households who are classified as low- and moderate-income are overpaying. This represents 73 percent of all low and moderate rental households and 74 percent of all those overpaying in Oakland. The maximum is 31,369 households--85 percent of low- and moderate-income households and 86 percent of all those renters overpaying. A conservative approximation would be a number halfway between these two extremes: 29, 150 low- and moderate-income households. Although an approximation, much credence is attached to the conclusion that families who

TABLE 22

Minimum and Maximum Number of Low and  
Moderate-Income Households Paying 25  
Percent or More of Income for Rent By  
Family Income: Oakland, 1970

Family Income	Minimum Number			Maximum Number		
	Low-Income	Moderate-Income	Total	Low-Income	Moderate-Income	Total
Less than \$3000	19,476	-	19,476	19,476	-	19,476
\$3000 - \$3999	2,679	2,424	5,103	3,949	1,154	5,103
\$4000 - \$4999	-	2,351	2,351	1,081	2,642	3,723
\$5000 - \$5999	-	-	-	346	1,575	1,921
\$6000 - \$6999	-	-	-	-	616	616
\$7000 - \$7999	-	-	-	-	530	530
Total	22,155	4,775	26,930	24,852	6,517	31,369

Source: Oakland City Planning Department based on data from 1970 Census of Population and Housing.

are overpaying are most likely to be families in the low- and moderate-income range.

#### TOTAL HOUSING PROBLEMS OF LOW- AND MODERATE-INCOME FAMILIES

The previous section indicated the number of low- and moderate-income families who pay an excessive proportion of their income on rent. This section will add to this number families who have other housing problems that can be identified from census data: namely households who lack plumbing facilities, have inadequate heating facilities, or who are overcrowded. Again, census data does allow a precise determination of this figure.

Using the matrix developed in Chapter 2 for all households having some type of housing problem, irrespective of income, it was possible, using available census data, to determine the minimum number of all such households who fall into the low- and moderate-income categories (except for "excessive payments" for which the "halfway" point between minimum and maximum was used). Table 23 shows these results for rental households.

The most common housing problem for rental households, as evidenced by the data, is excessive payments. There are approximately 36,300 households in Oakland who overpay for housing. At least eighty percent or 29,150 are low- and moderate-income households. Low- and moderate-income households also make up the majority of the remaining households with problems. Fifty-three percent of all overcrowded households are in this category as well as 58 percent of those households who have insufficient heating and 72 percent of all households who lack some plumbing. There is a strong correlation between low-income households and housing problems. Of the approximately 45,500 households with one or more of the four problems discussed, more than 31,000 or at least 69 percent are of low- and moderate-income.

A similar comparison was also prepared for owner-occupied housing; Table 24 shows these results. As discussed before, overpayments for housing are not included in the table. If the overpayment factor were to be included in this estimate, however, the number of low- or moderate-income homeowners with one or more housing problems would (allowing for overlap) increase to 11,053.



TABLE 23

Total and Low/Moderate-Income Rental Households  
by Type of Housing Problem: Oakland, 1970

	Rental Households With Housing Problems		
	Total Number	Low/Moderate-Income	
		Minimum Number	Percent of Total
Lacking Some or All Plumbing Facilities	4,236	3,065	72.4
Lacking Standard Heating Facilities	6,733	3,880	57.6
Overcrowded	6,587	3,487	52.9
Excessive Payments for Housing	36,290	29,150	80.3
Total allowing for overlap of one or more problems	45,555	31,362	68.8

Source : Oakland City Planning Department based on data from 1970 Census of Housing.

This does make the fairly realistic assumption that homeowner households with a value-income ratio of 4.0 or more (rather than the conventional ratio of 2.5) are low or moderate income.

Determining the actual problems for low- and moderate-income families is extremely difficult due to the lack of precise data for these families. Excessive housing payments are certainly the most prevalent problem affecting the large number of families in the low/moderate income category. The extent to which this overpayment is voluntary or a result of a lack of suitable housing is difficult to determine. In any case, the fact that low- and moderate-income families are overpaying means that they must reduce their expenditures in other areas. The extent to which this forces families to do without other necessities constitutes a serious problem. Even excluding those families who are overpaying, there are approximately 10,000 owner and renter households who either lack some or all plumbing facilities, have inadequate heating, are overcrowded, or suffer from a combination of these problems. This too must be viewed as a bare minimum, since, as pointed out previously, the census indicators

for substandard conditions are very incomplete.

## Problems and Obstacles

Not enough good available housing and too many low- and moderate-income families with small housing budgets combine to be Oakland's major housing problem. Increasing the supply of needed housing must be coupled with techniques which permit families to increase their purchasing power in the housing market.

### THE LOW-INCOME HOUSING STOCK

The number of units available to low-income families represents a major problem in Oakland. A number of the lower priced units are substandard, and of the remainder, many are occupied by families with higher incomes. In addition, at least 4,500 low- and moderate-income families are living in overcrowded conditions, and a very large proportion of all such families are forced to pay too much for their housing. Each of these situations reveals a mismatch of housing and people, especially in the low-income bracket. In many

instances low- and moderate-income families must compete for housing with families who can afford higher priced units but who choose to spend less on housing. Low- and moderate-income families rarely have the luxury of choosing to spend less than they can afford.

Low-income units are not produced by the private market due to high production costs and the absence of a sufficient profit incentive. In the late 1960's and early 1970's, increased production of low-income units in Oakland resulted from public housing and other federally-subsidized housing programs. Many of these production programs are now basically non-operative, except for the revised Section 202 Elderly housing program, the Section 235 Homeownership Program, and the relatively new Section 8 New Construction Program.

The provision of sufficient low cost units will have to depend on programs other than new construction. Additional units can be made available through rehabilitation, by increasing the use of the Section 8 housing programs, and by encouraging developers to provide low-rent units in new developments.

## HOUSING SUBSIDIES

Without financial assistance, many of Oakland's low- and moderate-income families accept housing that is either substandard, too small for the family's size, or too expensive. Increased household income to allow for greater housing choice must be a part of any effort to solve such housing problems.

A HUD study indicated that its subsidy programs contained structural problems which resulted in inequities and inefficiencies. It noted that "administrative changes would marginally improve the efficiency and equity of production programs; however serious problems of inefficiency and inequity inherent in using production as the basic approach would remain."<sup>1</sup> Further it was concluded that most program beneficiaries could be well-served by a less-expensive unit in the

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<sup>1</sup>Housing in the Seventies, U.S. Department of Housing and Urban Development, Washington, D.C. pp. 4-23--4-25.

TABLE 24

Total and Low/Moderate-Income Owner Households  
by Type of Housing Problem: Oakland, 1970

	Owner Households with Housing Problems		
	Low/Moderate-Income		
Total Number	Minimum Number	Percent of Total	
Lacking some or all Plumbing Facilities	365	109	29.9
Lacking Standard Heating Facilities	1,995	192	9.6
Overcrowded	3,315	981	29.6
Total allowing for overlap of one or more problems	5,433	1,085	20.0

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Source: Oakland City Planning Department based on data from 1970 Census of Housing.

existing housing stock or a cash transfer of lesser value than the subsidies of the past. Although the participant families would not have housing of as high a quality as under a production program, the objective of a "decent home" would be met in most cases. Most importantly, the lower cost per family would allow the Government, within a given budget, to make available better housing for more low-income families. These conclusions, plus additional documentation as to overall higher costs, reduced efficiencies, increased foreclosures and defaults of subsidized projects were the basis of the decision by the federal government to suspend production programs in the early seventies.

In their stead, for the most part, the federal government has implemented Section 8 of the Housing and Community Development Act of 1974. In the program's simplest form, participants pay roughly 25 percent of their income for rent, and HUD pays the remainder of the rent to the landlord. The program is presently the most widespread and important subsidy tool of the Government; it is utilized in conjunction with existing housing, extensive rehabilitation, and new construction. The concept of Section 8 housing payments is generally good, but it has some problems. The fair market rents allowed under the program tend to be too low for many parts of the City. The housing chosen by participants, therefore, has been limited geographically to traditional low income areas of the City.

## City of Oakland Policies

City policies deal with the production of low-income units, as well as making existing units more available. These policies have assumed a continuation and expansion of housing subsidy programs. While the current level of subsidization is far below existing needs, nonetheless subsidy programs, particularly the Section 8 housing allowance program, represent the most feasible strategy for providing low-income

housing.

The following policies indicate the City's position while also suggesting programs and actions to alleviate the problem.

1. *Provision will be made for all low-income families to receive, or to be advised of the existence of, any of a variety of special housing subsidies which are now available or are expected to be available in the future. Maximum advantage should especially be taken of homeownership programs. (E)*
2. *The City urges local public agencies and other developers participating in the production of publicly-assisted housing to implement, to the maximum extent possible, homeownership opportunities for low- and moderate-income families. (M)*
3. *The City urges private developers to include the maximum number of publicly-assisted housing units determined to be economically and socially feasible within all future development programs. (M)*
4. *The City supports those housing subsidy programs that will permit the development of good quality housing and will allow their low-income rental occupants the option of continued occupancy, possibly through purchase, if family incomes rise beyond subsidy eligibility. (M)*
5. *The City urges communities outside Oakland to make housing subsidies available so that low-income families may, if they choose, live closer to jobs or may, like their higher-income counterparts, increase their range of housing opportunities. The City also supports the implementation of plans and programs by regional and other agencies to direct the reasonable and equitable distribution of low- and moderate-income housing throughout the region. (M)*



## Programs and Strategies

Increasing the supply of housing for low- and moderate-income families has been an effort of the City of Oakland for a number of years. However, the supply of housing available to these families is still primarily governed by private market decisions. The availability of low-income housing rises and falls with the fluctuations of the private market. In response to an ever diminishing supply of low-income housing, public programs (mainly federal) have been used to stimulate production and to subsidize the cost. For today's low-income families, the public sector has the total responsibility of providing whatever adequate housing is available.

Table 25 summarizes the major program activities of the public sector in providing subsidized housing for Oakland. Many of them are discussed below.

Because housing substandardness, overcrowding, production, and supply are interrelated problems, many of the programs have been listed in preceding chapters.

### EXISTING PROGRAMS

#### Federal Actions

- Section 8. The Existing Housing, New Construction, Rehabilitation, and Set-aside programs of Section 8 of the 1974 Housing and Community Development Act are the Federal Government's major subsidy programs for low- and moderate-income families. In all programs under Section 8, participant families pay approximately 25 percent of their income for rent and the federal government pays the difference between this and the fair market rent to the landlord. Under the "existing" program, lower income families who have been certified as eligible by the Oakland Housing Authority are encouraged to negotiate directly with landlords to secure

rental accommodations which are best suited to their needs and which meet both rental and housing quality requirements of the program. This process is sometimes known as "finders-keepers." The "New Construction" and "Rehabilitation" Programs, however, give developers a certain allocation of Section 8 units for a particular project, thus guaranteeing a known occupancy. With this allocation, a developer is provided with a long-term commitment of housing assistance payments which can be pledged as security for mortgage loans or HUD/FHA insured mortgages.

- Section 202-Housing for the Elderly. This program is for non-profit organizations or cooperatives who want to provide housing for the handicapped, elderly or mentally retarded. The program provides a matching Section 8 allocation, and is administered by HUD.
- Section 235-Homeownership for Low Income Families. This program provides interest reduction payments in order to lower the housing costs of lower income families attempting homeownership or membership in a cooperative association operating a housing project. The homeowners must pay at least 20 percent of adjusted monthly income on housing costs.
- Other HUD programs not currently funded. FHA Sections 236 and 221(d) (3) provide multi-family units (elderly and family) through interest subsidies and below market interest rate mortgage insurance programs.

#### State Actions

- California Housing Finance Agency-Direct Lending Program. This program is designed to produce housing for low- and moderate-income households. It also has the power to administer, and has applied for, federal Section 8 Housing Assistance funds in order to lower rental costs for a portion of the residents in its direct lending developments.

- Cal-Vet Loan Program. This program provides long-term housing loans at low interest rates for California veterans. It is also in the process of implementing a conditional commitment program which will allow Cal-Vet loans to be used to purchase and rehabilitate homes in need of refurbishment. These loans can also be used to comply with current health and safety codes or for energy conservation installations.

#### City Actions

- Oakland Housing Authority (OHA). OHA, authorized and supported through the U.S. Housing Act of 1937 and subsequent amendments, administers the City's public housing program. OHA receives annual federal contributions to develop and maintain multi-family dwellings which are rented to eligible low income families and elderly persons at rental rates not to exceed 25 percent of their adjusted incomes. (See Table 25 for a summary of OHA programs.)
- Homestead Program. This program utilizes vacant properties made available by HUD which are then conveyed to selected low-income applicants for one dollar plus incidental fees. Participants must agree to bring the dwellings up to standard condition and must occupy them for a minimum of five years. Section 312 rehabilitation loans are available to participants as well as to persons living in the homestead target areas. Also HUD Section 810 monies are available for acquisition of properties.
- Grove-Shafter Replacement Housing. One part of this program, which will result in a cooperative project, will provide 100 housing units from rehabilitated buildings moved into or existing in the Oak Center Project area; another part will provide 160 units of rehabilitated single family homes in East Oakland. These units and others are intended to replace the housing demolished in order to build the Grove-Shafter Freeway.
- City Center Replacement Housing. The City has committed itself to assure the development of 300 units of replacement housing for the City Center Redevelopment Project. The City will provide construction and subsidy funds for the replacement units.

#### NEW PROGRAMS

In addition to the above, more low- and moderate-income housing opportunities could be provided by implementing the following. The City will study the feasibility for undertaking such programs.

- Lease Option Homeownership Program. This could provide an opportunity for low to moderate income households to participate in a program leading to homeownership while renting their homes and, in applicable cases, receiving Section 8 allowances. The program would work in tandem with an acquisition and rehabilitation revolving loan program and would allow the participating households to convert a portion of their rental payments into an equity position when exercising an option to acquire a home they are renting.
- Urban Homesteading. This program would differ from the existing federally supported City program in that it would be supported by Community Development funds and emphasize "sweat equity." Under this program, the City could acquire low cost dilapidated single family homes and turn them over to pre-selected households who would do most of the rehabilitation work themselves. Loans, for the most part, could be limited to acquisition of materials or for technical work such as electrical and plumbing installation.
- Market Subsidized Moderate-Income Housing. The City could adopt in its Zoning Ordinance the requirement that market rate housing developments of twenty units or more provide at least ten percent of the total units for moderate income housing. The maximum rent for these moderate income units could not exceed the upper limits of the market rate rental limits specified

TABLE 25

Publicly-Assisted Rental Housing By Program, Bedrooms, and Projects :  
Oakland, June 1977

<u>Program &amp; Type</u>	<u>Total Units</u>	<u>Bedrooms</u>						<u>Total Projects</u>
		<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	
Oakland Housing Authority (OHA)								
Conventional Housing								
1. Family	1,322	0	340	555	360	53	14	7
2. Elderly	100	32	68	0	0	0	0	1
Turnkey Housing								
3. Family	1,619	0	0	152	1,389	66	12	252
4. Elderly	101	0	100	1	0	0	0	1
Section 23 - Leased Housing								
5. Family	814	15	200	430	140	28	1	404
6. Elderly	274	228	46	0	0	0	0	14
Section 8 - Rental Housing								
7. Family	512	0	46	310	106	50	0	NA
8. Elderly*	428	116	280	32	0	0	0	NA
OHA - Family	4,267	15	586	1,447	1,995	197	27	663***
OHA - Elderly	903	376	494	33	0	0	0	16***
OHA - Total	5,170	391	1,080	1,480	1,995	197	27	679***
Other Publicly Assisted Housing**								
9. Section 202 - Elderly	403	339	62	2	0	0	0	2
10. Family	484	23	94	92	259	16	0	2
11. Elderly	66	12	54	0	0	0	0	1
12. Section 202/236 - Elderly	565	450	115	0	0	0	0	9
13. Family	1,068	133	324	354	126	131	0	10
14. Elderly	747	556	189	1	1	0	0	7
15. Section 8 - New Construc- tion - Elderly	139	0	138	1	0	0	0	2
16. Section 220 w/Section 8 Set Aside	75	10	25	30	10	0	0	1
Other Publicly Assisted-Family	1,627	166	443	476	395	147	0	13
Other Publicly Assisted-Elderly	1,920	1,357	558	4	1	0	0	21
Other Publicly Assisted-Total	3,547	1,523	1,001	480	396	147	0	34
TOTAL - Family	5,894	181	1,029	1,923	2,390	344	27	676***
TOTAL - Elderly	2,823	1,733	1,052	37	1	0	0	37***
TOTAL - Total	8,717	1,914	2,081	1,960	2,391	344	27	713***
Less 279 OHA Units in Assisted Projects	279			N. A.				14
TOTAL	8,438							699**

\*Also includes units authorized for handicapped and disabled.

\*\*Of the following figures, 506 are also rent supplement units (163 family and 343 elderly ) and 877 are Section 8 Set-aside Units.

\*\*\*Excludes Section 8-Existing.



in Section 8 guidelines. If Section 8 allocations are available, these units then could be further subsidized for low-income households.



## Overconcentration of Publicly-Assisted Housing

Publicly-assisted (or assisted) housing refers to housing for low- and moderate-income households produced primarily through Federal programs administered by HUD. The term also includes any low- and moderate-income housing which may in the future receive financial assistance from other levels of government such as the State of California, Alameda County, or any other regional or local governmental body.

This chapter contains three sections which deal with the problems of overconcentration of assisted housing and of restricted housing choices for low- and moderate-income families. The first section presents background information and outlines the extent of the problem. This section also discusses past efforts undertaken to alleviate the situation, including the genesis of a study by the City Planning Department dealing with the distribution and location of assisted housing. This study is the basis for the remaining two sections which summarize a system of policies and standards concerning the distribution and location of assisted housing and the programs

and strategies which are utilized to implement the policies.

### Extent of Problem

Until 1966, Oakland's assisted housing consisted of 1,422 units clustered in eight projects--all located in six census tracts. These conventional housing projects, all operated by the Oakland Housing Authority, were, for the most part, in West and East Oakland.

In the late 1960's and the 1970's, there was a significant increase in assisted housing in Oakland. By 1977 there was a total of almost 8,500 assisted rental housing units in the City. Excluding the Section 8 and 23 programs (their sites change periodically), seventy percent of all assisted units were concentrated in only 17 tracts (out of a total of 104 census tracts), and forty tracts had no assisted housing. Such an overconcentration has resulted in the restriction of housing choice for occupants of these units and the impaction of neighborhoods where this concentration occurs.

This concentration is evident in an examination of Map 1. Assisted units are clustered in long-standing low income areas. There are relatively few subsidized units above MacArthur Boulevard and around Lake Merritt, both of which are high income areas.

Restricted housing choice has traditionally been a problem for low- and moderate-income families. The housing available to these families at a cost consistent with their needs has tended to be concentrated in particular portions of the City. The influx of new assisted housing in recent years has, for the most part, not significantly broadened housing choices in relation to various areas of the City.

The problem of neighborhood impaction is also an outgrowth of the overconcentration of units. The concept of impaction and what factors can be used to measure it is difficult to deal with. Indicators which may be used to detect impaction



of an area could include: the socio-economic mix of an area; the capacity of the area's schools; the amount of crime and vandalism; the overall physical environment; and the attitudes of area residents. In Oakland there is evidence of a strong correlation between the negative aspects of these indicators and overconcentration of assisted housing units. Generally, assisted housing units, especially public housing units, have consistently been located in areas where there are existing concentrations of low- and moderate-income families, where elementary schools are at capacity or overcrowded, where the neighborhood's physical environment shows signs of deteriorating, and where, following occupancy, large numbers of complaints are heard. The increased numbers of units and people in such areas has exacerbated existing problems or created new ones.

#### PAST EFFORTS

The need for additional low-income housing in

Oakland has consistently been recognized as one of the City's most pressing problems. To begin to fill a portion of this need, the City in 1966, asked the voters to approve the construction of 2,500 public housing units. Realizing the past problems associated with the concentration of the Housing Authority's conventional projects, the voters were promised that new housing would be developed on scattered sites. The referendum was passed by the voters.

To ensure that this new housing program promoted the achievement of broad community objectives, while achieving its primary goal of increasing the supply of low cost housing, the Planning Commission and City Council adopted a set of guidelines for site selection and development. These guidelines set forth broad objectives which the program was to achieve as well as specific criteria to be used in evaluating individual proposals for developing the units. As the HUD-financed turnkey program evolved in Oakland, however, many of these guidelines and criteria were bypassed. Although developed on individual sites, the projects were still generally within the same areas. This concentrated pattern of development as well as the site designs themselves began to be the source of numerous complaints from neighborhoods, as well as of considerable concern to the City. Supplemental guidelines were adopted in 1970 by the City in an attempt to deal with the emerging problems.

The basic approach of scattered site housing was reconfirmed by the City by the adoption in 1971 of the following policy:

*"Housing constructed with subsidies for low- and moderate-income families should be equally distributed throughout the City whenever such new construction is economically feasible, will conform to the City's zoning regulations, and will not overly impact the area's schools."*

In spite of this policy commitment, there was still concern on the part of both the City and HUD as to



the problems associated with the past programs in Oakland. HUD's increased involvement in new moderate income housing, primarily the FHA 235 and 236 programs, caused it to become concerned with the location of the projects they were funding. This concern was translated into specific site selection criteria which HUD used to evaluate proposals.

The City Council, responding to its own growing concerns, as well as HUD's, about the distribution of assisted housing sought a way to comprehensively deal with the adopted policy previously discussed. The need to cope more effectively with the remaining turnkey units and all future assisted housing became apparent. The City Council therefore authorized the Planning Department to undertake a study, with HUD 701 funds, dealing with the distribution and location of all new assisted housing in the City. This study resulted in the report, Oakland Publicly Assisted Housing: Distribution and Location.

To bridge the gap between the single adopted policy and the more detailed guidelines that were required, it was necessary to be more specific about what the study had to achieve. Therefore, the basic task of the study became one of creating a system of policies, standards, and procedures that had the potential of achieving the following objectives.

1. To provide greater choice of housing by increasing the quantity and quality of the locations and types of housing available to low- and moderate-income households, consistent with the preferences of the intended occupants.
2. To discourage the concentration of publicly-assisted housing in a few areas in the City.
3. To direct the development of publicly-assisted housing to areas of the City where public services and facilities are available and to discourage such housing development in areas of the City where public

services and facilities are either not available or are used beyond their capacities.

4. To avoid the excessive impact of publicly-assisted housing on any given neighborhood by assuring minimum distance between assisted housing locations and by limiting the size of projects.
5. To ensure that publicly-assisted housing developments will be designed to provide a functional, convenient and attractive environment for its occupants, and to fit harmoniously into its immediate neighborhood.

The set of policies, developed in this study are detailed in the following two sections of this chapter.

## City of Oakland Policies

The following sets forth groups of policies at three levels: (a) citywide; (b) neighborhood; and (c) project development. The policies are general position statements regarding various aspects of assisted housing. The development of the policies was influenced by two dimensions associated with the Federal housing programs: the type of housing and the type of households. The Federal programs financially assist in the development of two types of housing: (a) housing which is owned and operated by a local authority for low-income households (termed "provided housing" here), and (b) housing which is privately owned and developed primarily for moderate income households (termed "subsidized housing" here). The term assisted housing applies to both provided and subsidized housing. The second dimension is the household type to be served by the housing. The distinction is between housing serving families and housing designed to serve the elderly.

### OVERALL POLICY

The following policy represents an overview policy expressing the general intent of the more detailed policies that will follow. This policy also

substitutes for the related policy previously adopted by the City.

1. *Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices consistent with the preferences of low- and moderate-income households, fit harmoniously into its immediately surrounding neighborhood, and avoid the overimpaction of the neighborhood or the schools and other public facilities serving it. (M)*

#### CITYWIDE POLICIES

The following citywide distribution policies present guidelines for determining an assisted housing capacity and priority for each of the City's census tracts. These policies take into account the various types of assisted housing programs discussed previously.

2. *To give a greater choice of housing locations for low- and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will be allowed generally only in census tracts which have remaining capacity for such housing. (M)*
3. *The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing. (E)*
4. *Publicly-assisted elderly housing may be developed throughout the City limited only by the general census tract capacities for additional publicly-provided and publicly-subsidized housing in any particular census tract. However, in census tracts where both publicly-assisted*

*family and elderly housign both may be developed, family housing should have priority, if housing allocations are available, since site locations available for this kind of household are more limited. (M)*

#### NEIGHBORHOOD LOCATIONAL POLICIES

The neighborhood locational policies are concerned with how assisted housing and its residents can best be assimilated into the neighborhood; in addition, they are intended to assure an adequate level of services and a pleasant and healthy environment for the residents of both the new assisted housing and the surrounding neighborhood. The policies deal separately with housing for the elderly and housing for families except for land use and zoning considerations which are applicable to both.

5. *Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or non-conformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation. (E)*
6. *Residents of publicly-assisted housing for the elderly should be transported or should be able to walk easily and safely to a bus stop, a supermarket, a drugstore and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor and a social center should also be considered in assessing the location of a proposed project. (E)*





- ☒ Section 220/8 set-aside  
☐ Section 8 new construction  
 Turnkey Public Housing  
 • 0-5 units • 6-10 units • 11-20 units  
☒ Conventional Public Housing  
 ▲ FHA 202  
 ■ FHA 236  
 ▨ 221(d)(3)  
 ● Elderly Unit

Sites	Units
1	75
2	139
253	1,720
8	1,422
2	403
26	2,380
3	550
<b>Total</b>	<b>292 6,260</b>

MAP 1

### PUBLICLY ASSISTED HOUSING IN OAKLAND 1977

(does not include section 8 existing or section 23 leased housing)



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- 7. *Residents of publicly-assisted family housing should have convenient access to transportation, shopping, parks and recreation areas, child care centers, and elementary schools within the neighborhood. (E)*

NEIGHBORHOOD SPACING POLICIES

Spacing policies are designed to disperse family housing units within the neighborhood. There are two levels at which these policies operate. Block spacing policies establish the necessary distances between assisted housing developments within city blocks and blockfaces. Neighborhood spacing guidelines establish the maximum number of units and minimum distances necessary between assisted units within small areas that are quite a bit larger than a block but one in which significant interaction occurs.

- 8. *Assisted family housing projects should be adequately spaced and a limit placed on the number of such housing units that can be developed within a relatively small area (neighborhood), to ensure that the negative consequences of overly impacting a neighborhood will not occur. (E)*
- 9. *In general, not more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets). (E)*

PROJECT DEVELOPMENT POLICIES

The purpose of the project development policies is to achieve a high quality in the design and appearance of the development so that it will provide maximum satisfaction to its residents and be compatible with the surrounding neighborhood. They do not address the needs of special groups such as the handicapped and are applic-

able to elderly housing only to the extent it is directly indicated. The guidelines are specifically concerned with project size and site and project design.

- 10. *The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New provided family housing projects should, however, be limited at any one location to twelve bedrooms in any combination up to six units. (E)*
- 11. *The location, design and site planning of assisted housing development should provide a functional, convenient and attractive living environment for its occupants. (E)*
- 12. *The size, design and operating characteristics of assisted housing, in addition to the condition of its grounds and buildings, should be compatible with and not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area. (M)*

Programs and Strategies

There are several ways in which these policies, in conjunction with their related operating standards (see Appendix A), can be used. First, they can be used by housing developers. Second, they can be used by various agencies such as the Housing Authority, the Planning Commission, and HUD under existing administrative review procedures. Until recently, the implementation of assisted housing policies and standards has been slow. With the relatively recent interest of the Federal and State governments in the allocation of housing and particularly assisted housing, these guidelines have increasing impact on the distribution of the new assisted housing supply.

## EXISTING PROGRAMS

Federal

- Review of Applications for Housing Assistance. Under the Housing and Community Development Act of 1974, the City may object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the City's Housing Assistance Plan (HAP) as approved by HUD. The annual HAP lists the number of desired units for elderly and family populations and designates future desirable sites or areas for assisted housing. This review applies to all potential subsidized housing in Oakland.

State

- CHFA Local Housing Agent. The State has accepted the publication Oakland Publicly Assisted Housing: Distribution and Location and the policies and standards which are incorporated in this chapter as the state-approved Affirmative Housing Plan. With such a plan, the City filled one of the requirements for designation as a local housing agent by the California Housing Finance Agency (CHFA). In this capacity, the City is authorized to approve or disapprove all applications for CHFA loans for housing developments to be located in Oakland. The grounds for disapproval, among other things, are nonconformance with the City's Housing Element which contains the City's policies and standards for the distribution for assisted housing.

City

- Review and evaluation of Publicly Assisted Housing Proposals. As part of the Federal and State processes, the City evaluates assisted housing proposals in the following general manner. There are actually two types of decisions that should be made for each proposal, as follows:

- A. Should the proposal be allowed to enter the "pipeline" for further consideration (either by the City, HUD, or both); or because it violates a basic policy or exceeds the limits imposed by a critical standard, should the proposal be denied or recommended for denial?

An assisted housing proposal would have to meet a number of criteria, as listed below, before receiving tentative approval.

1. Is there a "remaining capacity" in the census tract for the kind of housing proposed (provided or subsidized), and for the quantity proposed?
2. If the proposal is for family housing, do the school capacity and concentration ratings of the census tract permit any additional family housing?
3. If the proposal is for elderly housing in a census tract that also allows family housing, has the "25 percent of remaining capacity or one project" limit been exceeded?
4. Would the proposal, whether family or elderly, blend in and be compatible with surrounding development as to land use and density and is it likely to do so in the future?
5. If the proposal is for elderly housing does it adequately meet neighborhood locational standards concerning safety and topography?
6. If the proposal is for family housing, does it adequately meet neighborhood locational standards, concerning transportation, private facilities and community facilities?
7. If the proposal is for family housing, does it meet block spacing standards?

8. If the proposal is for family housing, does it meet neighborhood spacing standards?
9. If the proposal is for subsidized family housing, does it exceed the 50 unit-100 bedroom limit? If the proposal is for turnkey family housing, is it a townhouse type development and does it exceed the six unit-12 bedroom limit?
10. According to the preliminary site plan and the preliminary sketch of the buildings(s), does the proposal adequately meet other project development standards such as design, open space, landscaping and parking?

For each criterion, whether "yes" or "no" to the question, the reviewing staff would have to look for extenuating circumstances before deciding that a proposal should be rejected or tentatively approved.

- B. If, in the staff's judgment, the proposal should be approved for further consideration, should it be given a high, medium, or low priority rating? i.e., how, even assuming it meets minimum qualifications, does this proposal "stack up," in relative terms, against the City's assisted housing policies.

For each tentatively approved proposal, the staff could first prepare a rating of each of the three different spatial aspects of the proposal: a census tract rating, a neighborhood rating, and a site or project development rating. Based on these three separate ratings, an overall rating could then be made.





## Discrimination in Housing

Within the housing field, one of the most sensitive problems to demonstrate, analyze, and correct is discrimination. Discrimination in this context means the denial of complete freedom of choice in the selection of housing due to race, color, ethnicity, religion, sex, national origin, marital status, or sexual preference.

This chapter is divided into four general areas. The first section discusses the extent of segregation and racial discrimination in Oakland by using the discrimination of blacks as a prototypical example. Following this is a discussion of problems and obstacles, and then a review of the City's policies pertaining to housing discrimination. The final section deals with existing and proposed programs and strategies.

### Extent of Problem

It would be difficult, if not impossible to tabulate and verify the existence of discrimination for all the subject categories of race, color, ethnicity, religion, national origin, marital

status or sex. However, the extent to which discriminatory practices and attitudes due to race are prevalent in Oakland's housing market, while difficult to pinpoint, can be approached. If housing discrimination due to race does exist, it will result in segregated living patterns. Segregation can be easily measured, though the results are still not easy to interpret since other factors, such as family income, can also cause segregation. The following discussion and statistics concern only Oakland's black population; it will however serve both as an example of discrimination against the City's largest minority group and of discrimination in general. Illustrating the extent of housing discrimination by using the black population as an example is not in any way meant to underplay the gravity of discriminatory practices against other groups.

In 1970 approximately 35 percent of Oakland's total population was black. If the City were totally integrated, each of the City's census tracts would, theoretically, be approximately 35 percent black. Therefore, to determine, first, the extent of integration, the percentage of the black population living in census tracts in which the black percentage of total tract population was between 25 and 45 percent was measured--along with the percent living in other types of census tracts. The results show that only 18 percent of the black population lived in relatively integrated conditions. Of the remaining 82 percent, 10 percent lived in predominately white tracts and 72 percent lived in what could be considered as segregated conditions--with 17 percent living in tracts in which the black population represented more than 90 percent of the tract's population. Similar figures for 1960 when the black population was approximately 22 percent of the total are: 14 percent in integrated tracts, 6 percent in predominately white tracts, and 80 percent in relatively segregated tracts of which 13 percent lived almost all-black tracts. Tables 26 and 27 show these distributions in more detail.

Considerable segregation, therefore, exists in Oakland. And while--though results are mixed--the situation appears to have improved since 1960, the differences in the figures are too small to conclude that any major shift is taking

TABLE 26

Black Population by Census Tracts Categorized  
According to Proportion Black: Oakland, 1960

Percentage of Total Tract Population	Census Tracts		Black Population	
	Number	Percent	Number	Percent
0-13	57	55.9	5,013	6.0
13-33 (I.T.)*	17	16.7	11,977	14.3
33-45	4	3.9	6,557	7.8
45-55	3	2.9	6,010	7.2
55-90	17	16.7	43,552	52.1
90-100	4	3.9	10,509	12.6
Total	102	100.0	83,618	100.0

Total Population: 367,548; black percentage: 22.75

Source: 1960 Census of Population

\*Defined as Integrated Tracts

place. Of more importance, however, are the reasons for the segregation that exists in Oakland. Generally, racially-based segregated housing patterns result either from voluntary actions or from barriers that deny a minority group free access to the total housing market because of their race. A third reason for black segregation is that economic segregation (which can operate irrespective of race) particularly affects the black population because it has a much higher rate of poverty and generally lower incomes than the population as a whole. It is possible to at least partially determine the effect of this latter factor.

If it can be assumed that the 28 percent of the black population that lived in the integrated or predominately white tracts in 1970 were free of economic constraints in choosing their housing, then the question arises as to how this figure compares to the percent that has a high enough income to be generally free of such constraints. To answer this question some 1970 income indicators are appropriate:

1. Almost 55 percent of all black families had annual incomes two times or more the poverty threshold limits which, for a family of four was equal to or greater than \$7,483.
2. Fifty percent of all black families had incomes greater than \$7,700 (median black family income).
3. Almost 35 percent of all black families had annual incomes greater than \$10,000.

Using the last, and smallest, indicator only for comparison shows that about 9,000 more black families have the economic means to find housing in non-segregated areas. The issue then comes down to: how many of these 9,000 or so families continue to live in black segregated areas from choice, and how many became of housing discrimination?

To get a better perspective on racial discrimination in the sale or rental of housing, the 701 Household Survey, conducted in 1966, asked each

black household interviewed: "Have you ever gone looking for a house or apartment in Oakland and felt you were kept out of a place you wanted because they wouldn't rent or sell to a black?" It should be kept in mind that the answers to this question show felt, not demonstrated or documented, discrimination. The citywide results were: 31 percent "yes," 68 percent "no," and the remainder unknown.

These citywide results can be interpreted two ways, in the extreme: either that "two-thirds of the black households in Oakland have never felt any discrimination and the remaining one-third probably imagined it," or that "more than 30 percent felt they were being discriminated against, and the remaining two-thirds either did not want to cause trouble or never tried to rent or buy outside the ghetto." The geographic

distribution of responses suggest that the latter interpretation may be more appropriate. Only a quarter of the black households then living in Oakland's officially designated poverty-target areas answered that they had experienced discrimination, whereas almost half those living in the non-poverty areas answered positively. In any case, whether real or imagined, about 10,000 black households felt that they were discriminated against in their attempts to find housing.

Another more up-to-date source of information on housing discrimination is Operation Sentinel, established by the Stanford Mid-Peninsula Urban Coalition in 1971. This project serves as a centralized complaint center for allegations of housing discrimination for the Bay Area. Operation Sentinel receives complaints and utilizes checkers from the local area to investigate them.

TABLE 27

Black Population by Census Tracts Categorized  
According to Proportion Black: Oakland, 1970

Percentage of Total Tract Population	Census Tracts		Black Population	
	Number	Percent	Number	Percent
0-10	35	33.7	4,055	3.3
10-25	15	14.4	8,637	6.9
25-45 (I.T.)*	17	16.3	21,940	17.6
45-55	8	7.7	13,880	11.1
55-90	20	19.2	55,337	44.4
90-100	9	8.7	20,865	16.7
Total	104	100.0	124,710	100.0

Total Population: 361,561; black percentage: 34.5

Source: 1970 Census of Population

\*Defined as Integrated Tracts



In its almost six years of existence, Operation Sentinel has administered more than 800 cases in the Bay Area. Fully one-quarter of all the cases handled by Operation Sentinel have originated in Oakland. Not all persons, of course, are aware of Operation Sentinel nor are most people inclined to follow-up in the event they have a negative experience in seeking housing. It may well be that the approximately one hundred reported cases from Oakland is but a fraction of the actual experience of minority persons in the housing market.

Although the State fair housing efforts have been relatively weak considering the extent of the problem, their summary report of 1975 does cast some light on the type and nature of discrimination in housing. The report noted that almost 70 percent of the complaints were filed by Blacks and 10 percent by Spanish speaking persons. Furthermore, the most common discriminatory acts were refusal to rent (48 percent) and eviction or threatened eviction (38 percent). Apartment owners or managers were involved in nearly three-fourths of the complaints while individual homeowners or real estate companies were named respondents in 22 percent of the complaints.

## Problems and Obstacles

Problems and obstacles related to equal housing opportunity are generated in two areas: the housing delivery system and the governmental-legal system. Under these broad categories there are numerous related issues which not only apply to discrimination in housing but to other housing problems as well.

### HOUSING DELIVERY SYSTEM

The housing delivery system and its associated operations are a major problem area affecting discrimination in housing. The "system" as referred to here, includes only the financing, sale, rental, and management of housing. Each of these housing delivery functions has historically proven to be an obstacle in achieving

open housing.

The financing of housing is a fundamental aspect of one's ability to fully exercise housing choice. In 1970, the U.S. Civil Rights Commission observed that mortgage lending institutions play a key role in determining housing choice. Since housing choice has been so inseparable from racial and ethnic factors, this role has also been key in restricting fair housing choice. Thus the procurement of a loan as well as the cost associated with a loan are important. Lending institutions have in the past utilized the racial characteristics of a neighborhood as well as the "type" of neighborhood as a factor in evaluating loan applications. In some instances a person applying for a loan has been "prejudged" by his race or the type of area he wishes to live in rather than by his own behavior or economic condition. Lenders have refused to make loans in certain areas of the community which have been "red-lined." These areas usually are considered high risk areas due to generally large numbers of foreclosures and delinquencies, and loss of property values. Such judgments as to the "loan-ability" of an area have been made which in turn effect lower-income people who are predominantly minorities. This overall "red-lining" practice has made it quite difficult for certain areas of the community to remain stable. A lack of loans for home improvements, new construction, or the purchasing of housing have earmarked many areas for decline. These types of loan evaluation procedures have resulted in many minority persons being excluded from the possibility of obtaining real estate loans. If the more stringent standards applied to minority applications were generally applied, large portions of the population would not qualify for loans.

The costs associated with loans are also a source of problems. When loans are made to minority applicants or for property located within "questionable" areas, they are usually at a higher interest rate, with shorter amortization periods, larger down payments and at a lower percentage of the property's value than would be the case in

"stable" (usually white) areas. These factors, in conjunction with sharply increasing closing costs, (title searches, recording fees, escrow fees, title insurance) have also made it difficult for a growing number of minorities to even consider home ownership in any nonsubsidized form.

The sale, rental, and management of housing is the remaining portion of the housing delivery system which needs to be dealt with. Real estate marketing practices which were clearly discriminatory have been outlawed both by Federal and State laws. As a result some of these practices have been terminated while others have been continued but in a more subtle manner. The monopoly on market information held by the real estate industry is a focal point for the restriction of housing choice. Real estate brokers have the capability of both screening and steering prospective buyers. Minority buyers in many instances have been closely screened as to their financial qualifications prior to being shown homes. Additionally, brokers have the capability of "steering" potential minority buyers into specific areas, which, if successful, does not allow the minority buyer to express his own preferences.

The access to market information is a powerful tool in exercising one's housing choice. Since the law does not require affirmative marketing of individual home sales or rentals, brokers are under no outright obligation to inform minorities of opportunities throughout the community, thus keeping many areas "closed" to these groups. Each local realty board is required by the California Real Estate Association to have an equal rights committee whose function is to discourage such practices. The Oakland Board of Realty has a committee which functions in a regulatory capacity (dealing with complaints) and also in an educational capacity by informing its members of existing laws and the obligations of the industry.

Housing choice seems to be most restrictive by far in the rental market. Both FEPC and HUD

have reported that over 70 percent of the complaints they receive deal with rentals.

The general shortage of lower to middle income rental units allows housing discrimination to operate under the guise of high demand:

"Where housing is as tight as it is in the Bay Area, discrimination becomes very difficult to prove and easy to practice. If a minority prospect can be held off for as little as four hours, it is usually possible to get a bona fide white tenant signed up in that time."<sup>1</sup>

In general, apartment managers are responsible for tenant recruitment and selection. These persons are sometimes relatively untrained in management techniques, unsophisticated about fair housing law, and strongly resistant to open occupancy. The practices of asking higher rents and deposits, requiring credit checks, asking for leases and references, using phone evasions, procrastinating, and making erroneous statements as to the availability date of the unit, have been utilized to exclude minorities from rental units. In addition, the advertising techniques sometimes utilized in the rental market also further these discriminatory practices. Limited advertisements in selected papers, use of on-site rental signs, and tenant referrals, are tenant recruitment methods which tend to maintain the status quo of the surrounding neighborhood population. The combination of screening techniques, tenant recruitment and selection practices, and insufficient market information all restrain the rental options for minorities. And since the management of rental units is an unregulated activity, there is no way to directly control those discriminatory actions that may be practiced by some of its members.

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<sup>1</sup>Denton, John, Phase I Report to the NCDH/HUD Demonstration Project, San Francisco, 1970-71 pgs. 40, 41 of preface.



## GOVERNMENTAL-LEGAL SYSTEM

The provision of equal housing opportunities to all citizens is presently established in Federal and State law. In spite of the illegality of discriminatory housing practices, however, the problem persists. One of the major obstacles to the pursuit of equal housing opportunity has been the lack of commitment on the part of responsible governmental agencies.

In its 1973 report, the U.S. Commission on Civil Rights characterized the Federal enforcement effort as mostly ineffective. The Commission stated that the Federal effort "lacks creativity, resources, a sense of urgency, a firmness in dealing with violations and most important--a sense of commitment."

As stated previously, HUD is the agency responsible for the enforcement of Federal Fair Housing laws, and HUD has emphasized the investigation of individual complaints of discrimination as its primary means of dealing with the provisions of Federal law.

There have been a number of problems with this approach. First and foremost is that there has been limited funding and staffing for enforcement. Beyond this, the investigatory procedures undertaken have been time-consuming and have yielded limited results when finally completed. For the program year of 1971 HUD received only 326 complaints for the entire Western region.

At the State level the administration of fair housing legislation can also be characterized as one of general laxity. The Fair Employment Practices Commission (FEPC) has a dual role. On the one hand it is charged with the investigation of discrimination in employment practices and on the other, with the investigation of housing complaints. First priority has been given to employment complaints. The volume of complaints in this area has increased to such an extent that the investigation of housing complaints is becoming difficult. The FEPC estimates that only about eight housing complaints are docketed

each month in the San Francisco office. If a case survives the investigatory proceedings, which extend over a period of months, it must then appear before the seven-man, governor-appointed Commission which ultimately resolves disputes. The settlements to date have not really dealt with the overall pattern of discrimination nor have they been strong enough to deter further discriminatory practices. Clearly, if the agencies which are charged with the administration of existing laws do not exercise their powers fully, it is highly unlikely that the private sector or the populace in general will follow fair housing laws.

The pre-emption aspect of the State Act, as previously discussed has also presented a problem to municipalities since there has been no clear legal opinion as to its intent toward municipal involvement in this problem. Most interpretations thus far have been that municipalities cannot enact programs that deal with discrimination because of this pre-emption clause. A recent Assembly Bill which would have clarified this controversy was passed by both the State Assembly and Senate but was vetoed by the Governor. This then leaves the State-local government relationship obscure on this point and there has been a general lack of leadership in resolving the problem.

## ROLE OF FEDERAL AND STATE GOVERNMENTS

The Federal Government with its legislative resources and administrative scope is in the best position to promote adherence to fair housing laws. The Federal Government can uniformly apply standards to all U.S. citizens, while at the State and local level, the administration of fair housing programs can vary widely. In addition, the Federal Government is less likely to be influenced by local pressures, which in most cases attempt to perpetuate the status quo.

The Federal Government possesses fiscal resources which other governmental units rely on to finance



their operating programs and capital improvements. This gives the Federal Government great leverage in influencing other jurisdictions to adopt uniform standards particular in the fair housing field. By providing housing subsidies for those disadvantaged who cannot secure housing in the private market and by preventing racial discrimination, the Federal Government can ease the way for State and local governments to develop solutions to the needs of their citizens which more directly address local concerns.

The new Federal stress on revenue sharing as a means of dispersing funds offers new opportunities for furthering fair housing programs. The Federal Government could attach conditions to these funds so that State and local jurisdictions would be required to vigorously deal with housing discrimination. The ability to withhold grants and loans from non-complaint jurisdictions, a more stringent use of A-95 review powers, and a preference for funding in metropolitan areas with regional fair housing plans are all strategies which could be utilized to encourage adherence to the law.

The Federal influence can also be used directly to promote racial and economic mix. The Department of Housing and Urban Development (HUD) provides monetary assistance to a major portion of the housing industry primarily through mortgage insurance programs. In the past, HUD-insured loans had been made on market criteria which reflected a national bias toward economic and ethnic segregation. In 1971 a Federal court decision held that HUD-assisted projects must consider their impact on the racial ethnic balance of its neighborhood. Further the court declared that such HUD projects could not be located in areas where they would maintain or strengthen segregation. This ruling will have a substantial impact on HUD projects in that they will encourage a mix of housing types and prices. This type of Federal requirement can aid local jurisdictions by both providing housing within the low-moderate price range as well as locating the units so that minority persons have an expanded locational choice as to place

of residence.

The State's role in promoting the concept of equal housing opportunity has been minimal. One area in which the State can take positive action is enforcement of the current law. To date the State's enforcement procedures have not had either the financial or political support necessary to adequately accomplish its intended mission. If the State intends to administer the Law in a comprehensive manner, then it must significantly increase its commitment. This can be accomplished through an expansion in its enforcement capability by adding staff and providing necessary resources to follow up on complaints of discrimination. Additionally, a statewide public information campaign concerning fair housing laws would be beneficial both in informing persons of their rights and also alerting citizens of the fact that the State is concerned and actively involved in discouraging discriminatory practices.

The other major area where the State's involvement could be of significant value is in the area of new legislation. This could take the form of legislation designed to expand the coverage of fair housing laws to include all housing types. Separate legislation could also be initiated which clarifies the legal position of local jurisdictions in relationship to existing fair housing laws. It may well be that a clarification and expansion of local governmental powers in this field--possibly through new legislation which allows and encourages local jurisdictions to deal more comprehensively with housing discrimination--is necessary if progress is to be made.

It seems then, that at both the Federal and State level there are numerous regulatory, administrative, and persuasive techniques which could be used to promote equal housing. The basic catalyst necessary for these techniques to be put into use and to be effective is a definite commitment to the concept that all citizens of the nation have the right to freedom of housing choice. Legislation now declares discrimination illegal; however, a vigorous campaign of enforcement which would indicate that a total commitment

to equal housing opportunity is an established national or state goal has not been undertaken.

## City of Oakland Policies

Attainment of the City's basic housing goal and the successful implementation of its related programs will depend significantly on the City's ability to remove artificial barriers preventing any family from having access to any part of the housing supply, within or outside the City. The legal control of discriminatory practices is not now within the purview of the City. The City has however, through the adoption of the following policies, established a positive official position which will be conducive to the alleviation of the problem.

1. *All housing in the City should be available equally to all persons without restrictions based on race, color, ethnicity, religion, sex, national origin, marital status, or sexual preference. (M)*
2. *The City will take all necessary and appropriate steps to achieve a completely open housing market; the City calls upon all citizens and upon private industry to build, finance, sell, and rent properties without regard to race, color, ethnicity, religion, sex, national origin, marital status, or sexual preference. (M)*
3. *The City calls upon regional governmental agencies and East Bay county and local governments to develop and implement a regional "fair housing" program. (M)*
4. *The City supports State and Federal fair housing legislation and urges more intensive efforts on their part to enforce conformance to established laws. (M)*
5. *Whenever feasible, the City of Oakland, through its regulatory powers, will require that potential residential developers and sponsors prepare affirmative action marketing and management programs to implement federal, state, and local policy regarding open housing. (E)*

## Programs and Strategies

Equal housing availability and choice is basically a metropolitan issue. Efforts dealing with housing production, the proper distribution of housing between City and suburb, and open occupancy enforcement must be approached at all governmental levels if such efforts are to be successful. The City of Oakland cannot be expected to fully cope with housing discrimination, even in its own jurisdiction without aggressive action on the part of the state and federal government.

Federal, State, and local programs are or will be utilized in suppressing housing discrimination based on characteristics other than an individual household's ability to pay.

### EXISTING PROGRAMS

#### Federal Actions

- Federal Fair Housing Enforcement. The Secretary of the Department of Housing and Urban Development (HUD) is charged with the authority and responsibility of overseeing and enforcing the fair housing provisions of the 1968 Civil Rights Act. This act prohibits all discrimination in housing and guarantees the right of fair housing. Discrimination on the basis of race, color, religion, or national origin is prohibited in the sale or rental of dwellings, the financing of housing, and the membership or participation in any multiple listing service or real estate broker's organization. The Act implements its purpose by regulating major participants involved in the housing



industry, including mortgage lenders, real estate brokers, salesmen, and managers. This act compliments the 1866 Civil Rights Statute which requires equal protection under the laws.

- Anti-Redlining Actions: Home Mortgage Disclosure Act of 1975. This act requires the disclosure of mortgage loan data by depository institutions that both make federally related mortgage loans and are located in central cities. This act should provide sufficient information to enable governmental and community groups to determine whether depository institutions are fulfilling their obligations to serve the housing needs of the community in which they are located.

#### State Actions

- State Fair Housing Enforcement: The Rumford Fair Housing Act. This act is the governing legislation which deals with discrimination at the State level. The act declares that discrimination in housing accommodations because of race, color, religion, national origin, or ancestry is against public policy. The act covers all publicly-assisted housing, any property acquired through public action, FHA and VA financed property, all private dwellings with five or more units and virtually all owner-occupied single family dwellings. The actions of brokers, rental agents, and apartment managers are included, along with owners. The State Fair Employment Practices Commission has been authorized to administer the provisions of the Act. This includes the receipt of complaints and consequent investigation as well as court action if necessary.
- Anti-Redlining Actions: Title 10 of the California Financial Code. These regulations prohibit Savings and Loan Associations from denying mortgage loans--or approving them on less than favorable terms--because it is felt the subject property is in an undesirable

neighborhood. The regulations further require that these associations must compile, and disclose to the public, information on the number and type of loans made.

#### City Actions

- Office of Community Development (OCD): Home Counseling. The Home Counseling division of OCD has the responsibility for disseminating information on fair housing and open housing laws to Oakland residents, property owners, and real estate brokers. It will help citizens pursue grievances resulting from frustrated efforts to purchase or rent housing through normal channels. It will, in the future, recommend to City Council new legal machinery to expedite fair housing.
- City Planning Department: Open Housing. The City Planning Department will continue to require that residential developers and sponsors prepare affirmative action marketing and management programs to implement Federal, State and local policy regarding open housing. HUD and The Oakland Redevelopment Agency have previously had this requirement in all HUD assisted housing developments in redevelopment project areas.
- The Oakland Affirmative Housing Plan. The State of California has accepted the City's publication "Oakland Publicly Assisted Housing: Distribution and Location" as the City's affirmative plan. The report and inclusive standards and policies, adopted into Chapter VI of the Housing Element as City policy, sets limits by tract for publicly assisted housing. The report recognizes the need to reverse housing trends toward class, race, and age segregation which are the side effects of limited housing choices. The report seeks to reverse these trends by providing broader housing choices through wider distribution of housing receiving public assistance.
- Oakland Housing Authority. The Oakland Housing Authority has adopted an affirmative action



plan "to promote fair housing policies in the Public Housing community, and to assist integration efforts through the scattered site program.

### Community Actions

- Alameda County Metropolitan Housing Center. The main purpose of this organization is to help tenants and landlords reconcile their differences through counseling and information concerning existing laws. However, it does devote some resources to fair housing; it will, if necessary, send out "checkers" to confirm discriminatory acts. Clients are referred for appropriate legal help.
- Oakland Citizens Committee for Urban Renewal. This officially recognized community organization in Oakland has advocated for fair housing principles in applicable City programs and has stressed those concerns during the preparation of City reports and plans.
- Alameda County Legal Aid Society. The City has a contract with the society to establish a Community Development Unit which provides free legal assistance to OCD on a number of community development projects and to Oakland residents on matters related to housing, economic development, and employment. These matters have included the enforcement of laws prohibiting redlining and housing discrimination, as well as efforts to ensure that Oakland's burden of low-income housing is shared by surrounding cities. The Housing Counseling Section of OCD makes regular daily referrals to Legal Aid attorneys.
- Operation Sentinel. This program, sponsored by the Stanford Mid-Peninsula Urban Coalition, serves as a centralized complaint center for allegations of housing discrimination for the entire Bay Area. Operation Sentinel receives complaints and utilizes checkers from the local area to investigate them. This program has worked closely with Metro Housing (see above) in the past.

### NEW PROGRAMS

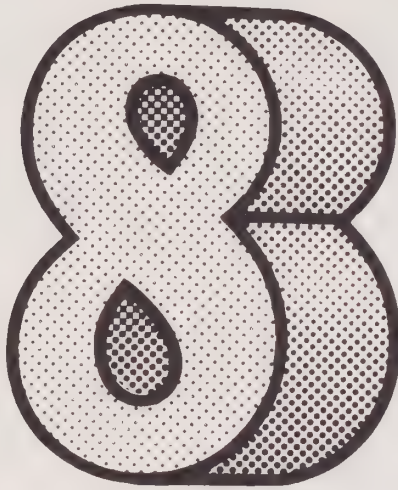
To date, the City's fair housing efforts, with the exception of Home Counseling and the Legal Aid contract, have concentrated on encouraging, persuading and suggesting that persons comply with the law. In most instances, such efforts have not been successful at a large scale. If progress is to be made in fair housing, the City will have to become more actively involved. The following programs could provide more effective enforcement of fair housing laws.

- Fair Housing Publicity Program. Perhaps the easiest program the City could undertake would be to widely broadcast the equal housing opportunity message. Such an informational program would be aimed at both the many agents of the housing industry as well as the public-at-large. It would inform people of their rights, responsibilities, and recourse under existing fair housing laws; it would also provide information as to where they could receive aid in dealing with specific complaints. An informational program like this could involve: (1) the preparation of and distribution of informational materials, in the form of brochures, posters and the like; (2) the placement of fair housing advertisements in local newspapers and other local media; and (3) the posting of fair housing rights in offices of all housing-related businesses (financial institutions, real estate offices, builders and developers, and apartment managers).
- Enforcement Program. The enforcement aspect of fair housing could be accomplished by the City in several ways. Cooperation with an agency such as Operation Sentinel could be accomplished at a minimal cost to the City. The establishment of an enforcement function within the Housing Department of the Office of Community Development could also be considered. The Home Counseling section could then not only handle grievances dealing with the sale or rental of housing but could also propose the necessary legal machinery which would be needed to make such a function effective.

The City of Oakland has accepted the obligation to pursue fair housing. To carry out this obligation adequately, however, requires a higher level of commitment, more decisive programs, sufficient funding, a determined administration, and above all, community support and involvement.







## Housing Actions

This Housing Element attempts to present a broad incremental outline of the housing situation in Oakland. Preceding chapters have concentrated on a particular problem, such as substandard housing or overcrowding, and have followed a standard format of describing: applicable problems and obstacles, City policies designed to overcome them, and existing and proposed programs designed to implement those policies. This chapter will regard the housing field as a whole and will concentrate on the tools and processes of implementation rather than the identification of problems or development of policy. This is an important chapter because policy statements, no matter how well formulated, are worthless without a clear implementing process and strategy. This chapter will examine the processes and instruments by which the City implements housing programs, coordinates with other organizations and jurisdictions, and plans for future actions.

### Policy Planning

This report is a generalized policy document which

should be utilized as the basis for more detailed programs. The preparation of a comprehensive housing implementation program is the responsibility of a number of city offices including City Planning, the Housing Authority, and the Office of Community Development's Housing Department. The Housing Element's function, as related to such a program, is to identify housing issues and to suggest a broad policy framework within which more precise actions can be developed and implemented.

This process of policy development is often called policy planning, for the chief product of the process is the creation of policy alternatives from which the City Council forms official City policy. Within a larger perspective, policy planning is but a stage in a planning process which may include: (1) Problem Identification - an overview of the subject area and/or identification of major issues; (2) Needs Assessment - a review of problems and obstacles and determination of the magnitude and quality of these problems; and (3) Policy Planning - a definition of issues, development of alternative policies and actions, and choosing appropriate policies and actions. These three stages incorporate much of the work of the housing element with the generation of policy composing the core of the report. However, policy in itself cannot resolve problems. Therefore, the process continues into more applied practical steps with: (4) Program Development - a review of various action options in light of relevant policy direction and the development program objectives; (5) Implementation - actual provision of program services and periodic program modifications as service delivery warrants; and (6) Monitoring and Evaluation - a periodic review and evaluation to see if the program has met expectations and if not, to make changes. These six stages represent an ideal process by which the City should respond to the housing needs of the community. Policy planning is the most significant stage, the fulcrum of the process, so to speak, for it is the point at which the City will decide how it will translate the perceptions of problems and needs into action,

resources, and change. The outputs of policy planning are policies which direct City staff on the type, nature, or response necessary to resolve the problem or need.

The policies listed below represent all City policies and goals dealing with housing as they will appear in the Oakland Policy Plan, a basic component of the City's Comprehensive Plan. Existing policies are followed by (E), those modified since the last publication of the element with a (M), and new policies with a (N).

#### HOUSING GOALS

- . *To ensure that every Oakland family has the opportunity to live in a sound housing unit, large enough to accommodate its members, at a reasonable cost relative to its income, and free from non-economic constraints on its freedom of selection. (E)*
- . *To provide for the housing needs of all economic segments, all age groups, and all household types. (N)*
- . *To ensure a reasonable balance of housing according to tenure (such as conventional ownership, condominium, or rental), dwelling type (such as single-family or multi-family buildings), price, density, type of amenities, and location. (N)*

#### SUBSTANDARD HOUSING POLICIES

1. *The City will take all feasible steps to remove from the housing supply dilapidated units impossible to rehabilitate. However, it will first make certain that adequate and affordable substitute housing is available for those persons who must be relocated. (M)*
2. *The City, in its code inspection and rehabilitation programs, will provide or assist in obtaining rehabilitation loans and grants, counseling and other follow-up services as needed, as well as relocation aid if required. (M)*
3. *The City intends that all sales housing, including buildings converted to condominiums, have pre-sale inspection for conformance to applicable and appropriate codes. (M)*
4. *As soon as resources permit, the City will initiate an inspection program for all housing, followed by periodic reinspections, aimed at maintaining housing units in sound condition. (M)*
5. *The City actively supports revision of income and property tax laws to encourage housing stock rehabilitation and to discourage the continuation of substandard housing. (E)*
6. *The City vigorously discourages lending institutions from using "high risk" geographic areas (redlining)--rather than individual household credit--as a basis for screening, rejecting, or limiting home loan applications to buy or rehabilitate housing. (N)*
7. *The City recognizes that housing is a valuable resource that should be carefully conserved and maintained and will take all necessary steps to prevent damage to the City's occupied or vacant residential property. (N)*
8. *The City supports voluntary neighborhood efforts to correct blighting conditions such as trash and debris, peeling paint, and poor landscape maintenance. (N)*
9. *The City encourages rehabilitation efforts which respect the architectural integrity of a building's original style. (N)*



## OVERCROWDING AND HOUSING PRODUCTION POLICIES

1. *The City, through its agencies, will attempt to discourage overcrowding by utilizing existing programs and seeking new programs that provide housing subsidies to families whose income would otherwise prevent them from occupying sound housing of the proper size. (E)*
2. *The City will keep well informed of imbalances between housing needs and housing supply. The City will take appropriate measures to correct imbalances when they occur. (M)*
3. *The City encourages private housing development in Oakland; it will provide assistance to developers regarding the types and location of units to be built and will attempt to expedite the development of desirable projects where necessary. (M)*
4. *The City encourages the production of a sufficient number of assisted and market rate large-size housing units to meet reasonable projections for large-size Oakland families. (M)*
5. *Condominium conversions are encouraged as a means of increasing housing choice when it can be found that such conversions will not create a shortage or have other negative impacts on rental housing. The City will require that the sellers of condominium conversions assist and protect the rights of both existing tenants and new buyers. (N)*
6. *With the backing of sufficient housing subsidies where necessary, the City and its agencies will insist that all new housing units have those qualities and amenities that will continue to make them competitive on the private market. (E)*
7. *The City will cooperate with private*

*housing producers wherever justifiable to reduce the overall cost of housing units. (E)*

8. *The City supports efforts to develop and implement cooperative ownership and other non-profit mechanisms as a means of reducing construction, selling, and reselling housing costs. (N)*
9. *The City, where economically feasible, will cause to relocate, rather than demolish, residential property acquired for public purposes and urges Federal and State agencies to use a similar approach. (M)*

## LOW AND MODERATE INCOME-HOUSING POLICIES

1. *Provision will be made for all low-income families to receive, or to be advised of the existence of, any of a variety of special housing subsidies which are now available or are expected to be available in the future. Maximum advantage should especially be taken of homeownership programs. (E)*
2. *The City urges local public agencies and other developers participating in the production of publicly-assisted housing to implement, to the maximum extent possible, homeownership opportunities for low- and moderate-income families. (M)*
3. *The City urges private developers to include the maximum number of publicly-assisted housing units determined to be economically and socially feasible within all future development programs. (M)*
4. *The City supports those housing subsidy programs that will permit the development of good quality housing and will allow their low-income rental occupants the option of continued occupancy, possibly through purchase, if family incomes rise beyond subsidy eligibility. (M)*



5. *The City urges communities outside Oakland to make housing subsidies available so that low-income families may, if they choose, live closer to jobs or may, like their higher-income counterparts, increase their range of housing opportunities. The City also supports the implementation of plans and programs by regional and other agencies to direct the reasonable and equitable distribution of low- and moderate-income housing throughout the region. (M)*

#### DISTRIBUTION AND LOCATION OF PUBLICLY-ASSISTED HOUSING POLICIES

1. *Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices consistent with the preferences of low- and moderate-income households, fit harmoniously into its immediately surrounding neighborhood, and avoid the overimpaction of the neighborhood or the schools and other public facilities serving it. (M)*
  2. *To give a greater choice of housing locations for low- and moderate-income households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will be allowed generally only in census tracts which have remaining capacity for such housing. (M)*
  3. *The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing. (E)*
  4. *Publicly-assisted elderly housing may be developed throughout the City limited only by the general census tract capacities for additional publicly-*
- provided and publicly-subsidized housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing both may be developed, family housing should have priority, if housing allocations are available, since site locations available for this kind of household are more limited. (M)*
5. *Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or non-conformity to existing zoning regulations, while important to consider, should not necessarily preclude its further evaluation. (E)*
  6. *Residents of publicly-assisted housing for the elderly should be transported or should be able to walk easily and safely to a bus stop, a supermarket, a drug-store and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor and a social center should also be considered in assessing the location of a proposed project. (E)*
  7. *Residents of publicly-assisted family housing should have convenient access to transportation, shopping, parks and recreation areas, child care centers, and elementary schools within the neighborhood. (E)*
  8. *Assisted family housing projects should be adequately spaced and a limit placed on the number of such housing units that can be developed within a relatively*

small area (neighborhood), to ensure that the negative consequences of overly impacting a neighborhood will not occur. (E)

9. In general, not more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets). (E)
10. The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New provided family housing projects should, however, be limited at any one location to twelve bedrooms in any combination up to six units. (E)
11. The location, design and site planning of assisted housing development should provide a functional, convenient and attractive living environment for its occupants. (E)
12. The size, design and operating characteristics of assisted housing, in addition to the condition of its grounds and buildings, should be compatible with and not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area. (M)
2. The City will take all necessary and appropriate steps to achieve a completely open housing market; the City calls upon all citizens and upon private industry to build, finance, sell, and rent properties without regard to race, color, ethnicity, religion, sex, national origin, marital status, or sexual preference. (M)
3. The City calls upon regional governmental agencies and East Bay county and local governments to develop and implement a regional "fair housing" program. (M)
4. The City supports State and Federal fair housing legislation and urges more intensive efforts on their part to enforce conformance to established laws. (M)
5. Whenever feasible, the City of Oakland, through its regulatory powers, will require that potential residential developers and sponsors prepare affirmative action marketing and management programs to implement federal, state, and local policy regarding open housing. (E)

## Program Planning

In any organizational structure it is difficult to translate policy into programs with the intent and direction of the policy substantially intact. Although Oakland has had a Policy Plan for some time, it has been hard to translate those policies directly to programs. Most often programs are developed as a matter of expediency--either due to immediate community pressures or because special categorical funding is available--rather than from a rational decision-making process based on established policy. With the advent of the Community Development Block Grants and the formation of the Office of Community Development (OCD) within the municipal structure, a more coherent planning process has begun to emerge. In particular, a Housing Department was created within OCD consolidating the functions of Housing Conservation, Housing Rehabilitation,

### OPEN HOUSING POLICIES

1. All housing in the City should be available equally to all persons without restrictions based on race, color, ethnicity, religion, sex, national origin, marital status, or sexual preference. (M)



and various support services including home counseling and relocation. It also has taken over some of the functions identified in the Program Development Stage (4) of the planning process described in the preceding section. In the municipal housing arena, the Housing Department helps bridge the gulf between policy development and program implementation. This Department selects appropriate program alternatives under the guidance of the appropriate City policy, sets measurable objectives, and develops the framework of the housing programs. It then fleshes out that framework by providing staff and service delivery procedures, effectively filling the role of the Implementation Stage (5) of the planning process. The Office of Budget and Management occasionally completes the process by evaluating selected housing programs as the need warrants.

Interacting with the development of housing programs is a citizen participation process composed of seven Community Development District Councils under the aegis of the Community Development Advisory Commission (CDAC) and provided staff support by OCD. The District Councils, made up of district citizens, develop program and project ideas which are forwarded for review to the CDAC. The CDAC reviews district proposals and recommends selected programs and projects to Council which then considers them in light of existing City policy and budget constraints.

The City's major housing programs developed so far fall generally into the two categories of "regulation" and "subsidy," with the subsidy programs using the greatest resources. The subsidy programs fall into the subcategories of direct subsidy, (Section 8 Housing Assistance Program) and indirect subsidy (various revolving loan programs). Dozens of housing programs operate in the City of Oakland, funded mostly from Federal and State sources, but only a few are likely to have a significant impact on the City's housing problems. That does not mean that the remainder are superfluous, for they too have their necessary and special

purposes. However, several programs bear special attention.

The Vacant Building Abatement Program administered under the Housing Conservation Section of the Housing Department is of particular note. Based on enforcement of the Housing Code, the Housing Conservation Division has adopted a number of regulations and procedures to make their efforts more effective. For example, they can authorize vacant and dilapidated buildings to be secured after giving appropriate notice to the owner; however, the owner's permission is not required. This allows the City to short-circuit the vacancy-vandalism-dilapidation process by immediately closing newly broken-into buildings before any real damage can occur. This program has a great potential for reducing the number of dilapidated vacant and abandoned buildings in Oakland.

In the direct subsidy arena, the Section 8 Housing Assistance Payment Program appears to be one of the most successful programs for aiding low- and moderate-income households. Perhaps the most important aspect of the program, other than participants paying no more than 25 percent of their income for rent, is the freedom of an eligible family to seek their own housing ("finders-keepers") in the private market. This involvement in the housing marketplace, as opposed to the provision of traditional public housing, avoids the stigma of housing projects; provides a stimulus for the construction of more multi-family units; allows the eligible household to operate more or less freely in the real estate market; and provides lodgings chosen by the household which are presumably most suitable for its needs. In addition the City is not responsible for the considerable cost and demands of maintaining additional public housing projects.

Finally, of all the indirect subsidies, usually provided in terms of mortgage subsidies or below-market-rate loans, the Home Maintenance and Improvement Program (HMIP) with its loans for owner-occupied housing and vacant housing holds the greatest promise for ameliorating many



of the City's housing condition problems. This program provides below-market-rate loans from the HMIP revolving loan fund to rehabilitate dilapidated residential structures. The main advantages of the program is that it enables persons to obtain loans who were previously ineligible, and it provides loans in areas that were previously considered "high risk." This program, in conjunction with the Marks-Foran Program which provides below market loans for

houses and apartments, will have the greatest impact in changing the condition of the City's residential housing.

The following programs are presently providing various levels of service in the City of Oakland. (Some programs have not been included in this listing because of their small scale or lack of effectiveness.) Map 2 shows the geographic extent of many of these programs.

#### HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Substandard Housing	
1. The Federal Housing Administration (FHA)	FHA is generally required to rehabilitate units which have been repossessed following foreclosure on FHA-insured loans. Some FHA units are sold "as is" for private rehabilitation and resale. FHA also has a market rate loan insurance program (Title I) for home improvement loans.
2. Section 8 Program for Rehabilitation (HUD)	The Section 8 Housing Assistance payment program, of the Community Development Act of 1974, provides Federal housing assistance to low- and moderate-income people and allows for program participation by owners and developers in the City as well as the Oakland Housing Authority (OHA). Assistance payments are authorized for certified families whose adjusted gross incomes do not exceed 80 percent of the median income for the area.
	Under the Existing program, renters seek their own housing and if certain preconditions are met, a lease is signed. The owner will receive monthly payments from OHA equal to the difference between the rent paid by the family (approximately 15-25 percent of gross income) and the fair market rent.

## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Substandard Housing (Continued)	
	For the <u>New Construction</u> and <u>Substantial Rehabilitation</u> aspects of the program, HUD will select developers who will be guaranteed a certain number of Section 8 units upon completion of a project. Under these conditions, Section 8 will provide long-term commitments of housing assistance payments which can be pledged as security for mortgage loans or HUD/FHA insured mortgages.
3. Section 312 Rehabilitation Loans (HUD)	HUD makes available low-interest loans through the City for the rehabilitation and improvement of homes in Urban Homesteading, Urban Renewal, and other specified area.
4. VA Guaranteed Loans (Veterans Administration)	VA guarantees loans for the purposes of buying, repairing, rehabilitating, or refinancing homes owned or occupied by veterans. Because of the VA guarantee, the veteran may not be required to make a downpayment.
5. Grove/Shafter-Replacement Housing (Office of Community Development [OCD] and State of California)	This program will provide 100 units of cooperative housing from rehabilitated buildings in the Oak Center Project area and 160 units of rehabilitated single-family homes in East Oakland.
6. California Housing Finance Agency (State of California)	This agency is authorized to guarantee bonds and to insure loans for the rehabilitation of existing housing. It will also provide purchase and rehabilitation loans to low- and moderate owner-occupants of single-family homes.
7. Marks-Foran Residential Rehabilitation Program (OCD)	Under this program, below-market-rate loans are made for the rehabilitation of houses and apartments. The funds for the loans will come from the sale of tax exempt municipal bonds authorized under the Marks-Foran Residential Rehabilitation Act of 1973. Absentee landlords and owners of apartment buildings as well as homeowners will be eligible to apply. The program has no income or location restrictions.

## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Substandard Housing (Continued)	
8. The Home Maintenance and Improvement Loan Program (HMIP) - Owner-occupied Housing (OCD)	This program provides low interest and deferred rehabilitation loans from a revolving loan fund to low- and moderate-income owner-occupants of one-to-four family dwellings in the Community Development Districts. It is funded through Community Development Block Grants.
9. HMIP - Vacant Housing Program (OCD)	This program acquires, rehabilitates, and sells former vacant and dilapidated homes to low- and moderate-income families who agree to live in these houses for a minimum number of years. Community Development funds are used for operating, construction, and subsidy expenses, while take-out loans (first mortgages for the home buyers) are provided through the Section 235 Program, banks, and savings and loan organizations.
10. Urban Homesteading Program (HUD and OCD)	This program utilizes vacant properties made available by HUD which are then conveyed to selected low- and moderate-income applicants for one dollar plus incidental fees. Homesteaders are recruited every four months and must agree to bring their homes up to code and reside in them for five years. Section 312 loans are available to participants and households in the target areas and are used in rehabilitation of properties.
11. Paint and Weatherization Program (OCD)	This program provides free painting and weatherization services to low-income homeowners who meet certain eligibility criteria.
12. Self-help Paint Program (OCD)	Free paint, equipment, and limited technical assistance is provided to low-income homeowner who agree to paint their own home.



## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Substandard Housing (Continued)	
13. Vacant Building Abatement Program (OCD)	This inspection program concentrates on seriously dilapidated vacant structures in an effort to evaluate whether the building can be rehabilitated--by the owner or the City--or must be demolished. It includes a "Clean up and Security" component to board up houses and clean premises, and a "Public Nuisance Demolition" component to demolish dilapidated buildings that can't be rehabilitated.
14. Home Management Counseling (OCD)	The program provides counseling for families receiving Community Development rehabilitation grants and loans and experiencing defaults and delinquencies on their mortgages. The program also produces pre- and post-occupancy and consumer counseling, has the responsibility for carrying out the City's fair housing policies, and organizes home repair classes.
15. Rehabilitation Clean UP (OCD)	This program removes neighborhood junk and debris, cleans vacant lots, and removes abandoned automobiles.
16. Oakland Better Housing Inc. (OBHI)	OBHI is a non-profit organization which buys, rehabilitates, and sells vacant and/or dilapidated houses.
17. BA City Improvement and Restoration Program, Inc. (BAYCIRP)	This non-profit subsidiary corporation sponsored by the Bank of America will buy, rehabilitate, and resell up to 30 houses in East Oakland.
18. Neighborhood Housing Services Inc. (NHS)	NHS operates in the Elmhurst District; it provides rehabilitation and financial counseling, makes referrals for financial assistance, administers a rehabilitation revolving loan fund for low-income households, and participates in various neighborhood revitalization projects.

## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Substandard Housing (Continued)	
19. Savings Associations Mortgage Company Inc. (SAMCO)	This organization represents 27 Savings and Loan Institutions which provide a pool for spreading the risk on inner-city loans. SAMCO does not originate loans but operates through member institutions who operate in Oakland.
20. West Oakland Housing Inc.	This organization provides counseling, financial services, and supportive services for low-income persons improving or rehabilitating their homes. It is also directly involved in residential home development programs.
Overcrowding and Housing Production	
21. Section 8 Program for New Construction (HUD)	See No. 2
22. Section 202 - Housing for the Elderly (HUD)	This is a direct loan program for non-profit organizations or cooperatives which want to produce housing for the handicapped, elderly, or mentally retarded. The program provides a matching Section 8 allocation.
23. Other HUD Programs	HUD has a wide range of other programs (such as Sections 203 (b), 220, and 231) which provide either mortgage subsidies or insurance for new construction but are not particularly effective in the low-income market.
24. VA Guaranteed Loans (Veterans Administration)	See No. 4
25. State Housing Finance Agency Direct Lending Program (State of California)	The California Housing Finance Agency will provide Section 8 allocations in conjunction with direct below-market-rate loans to housing sponsors or developers to finance multi-family residential developments which will provide new housing to mixed income families.

## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Needs of Low- and Moderate-Income Families	
26. Section 8 Program for Existing Housing (HUD)	See No. 2
27. Section 202 - Housing for the Elderly	See No. 22
28. Section 235 - Homeownership for Low Income Families	This program provides interest reduction payments to lower the housing costs of lower income families attempting home-ownership or membership in a cooperative association operating a housing project. The homeowners must pay at least 20 percent of adjusted monthly income on housing.
29. Other HUD Programs (not funded)	FHA Sections 236, and 221 (d) (3) provide multi-family units (elderly and family) through interest subsidies and below-market-interest rate mortgage insurance programs.
30. State Housing Finance Agency (CHFA) Direct Lending Program (State of California)	See No. 25
31. Cal-Vet Loan Program (State of California)	This program provides long-term housing loans at low interest rates for California Veterans. It is also in the process of implementing a conditional commitment program which will allow Cal-Vet loans to be used to rehabilitate homes in conjunction with the purchase.
32. Oakland Housing Authority (OHA)	OHA, authorized and supported under the U.S. Housing Act of 1937 and subsequent amendments, administers the City's public housing program. OHA receives annual federal contributions to develop and maintain multi-family dwellings which are rented to eligible low-income families and elderly persons at rental rates not to exceed 25 percent of their adjusted incomes.



## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Needs of Low- and Moderate-Income Families (Continued)	
33. Urban Homesteading Program (OCD/HUD)	See No. 10
Overconcentration of Publicly-Assisted Housing	
34. Review of Applications for Federal Housing Assistance (HUD)	Under Section 213 of the Housing and Community Development Act of 1974, the City has the opportunity to object to HUD's approval of any assisted housing application on the grounds that the application is inconsistent with the potential housing sites indicated in the City's Housing Assistance Plan (HAP).
35. CHFA Local Housing Agent	In approving the City as a local housing agent, the State has accepted the City's policies and standards for the location and distribution of assisted housing as part of the City's official affirmative plan.
36. Review of Publicly-Assisted Housing (OCD and City Planning)	The City evaluates proposed assisted housing projects by the policies and standards contained in Chapter 6 of this Housing Element.
Discrimination in Housing	
37. Federal Fair Housing Enforcement (HUD)	HUD enforces the 1968 Civil Rights Act which prohibits discrimination in housing and guarantees the right of fair housing. This act complements the 1866 Civil Rights Statute which requires equal protection under the law.
38. Home Mortgage Disclosure Act of 1975 (Federal Government)	This act requires the disclosure of mortgage loan data by depository institutions that both make federally-related mortgage loans and are located in central cities. This act provides sufficient information to enable governmental and community groups to determine whether depository institutions are fulfilling

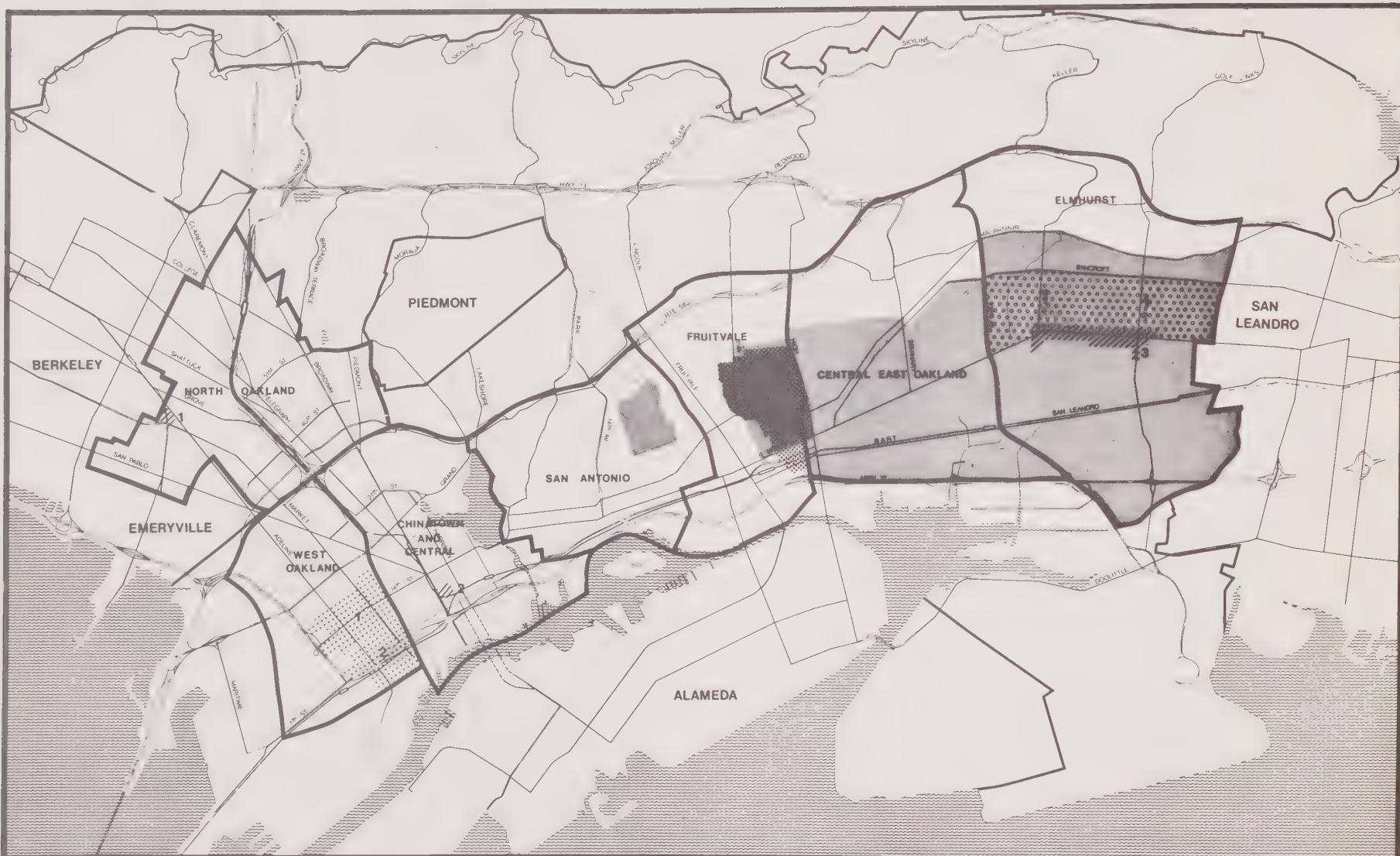
## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND

<u>Program or Action</u>	<u>Program Description</u>
Discrimination in Housing (Continued)	their obligations to serve the housing needs of the community in which they are located.
39. State Fair Housing Enforcement (State of California)	The Rumford Fair Housing Act, enforced through the State Fair Employment Practices Commission, is the governing legislation which deals with discrimination in publicly-assisted housing, property acquired through public action, FHA and VA financed property, most multi-family units, and virtually all owner-occupied single family units.
40. State Anti-redlining Actions	Title 10 of the California Code prohibits savings and loan associations from denying mortgage loans, or approving them on the basis that the subject property is in a less than desirable neighborhood.
41. Home Counseling (OCD)	This division of OCD has the responsibility for disseminating information on fair housing and open housing laws to Oakland residents, property owners, and real estate brokers. It will help citizens also pursue fair housing grievances.
42. Open Housing in New Developments (City Planning)	The City Planning Department will continue to require that residential developers and sponsors prepare affirmative action marketing and management programs to implement Federal, State, and local policy regarding open housing.
43. The Oakland Affirmative Housing Plan	The State of California has adopted the City publication "Oakland Publicly Assisted Housing: Distribution and Location" as the City's affirmative housing plan. The officially adopted policies and procedures in the report are duplicated in Chapter VI of this Element.

## HOUSING PROGRAMS AND ACTIONS IN THE CITY OF OAKLAND










<u>Program or Action</u>	<u>Program Description</u>
Discrimination in Housing (Continued)	
44. Oakland Housing Authority (OHA)	The Oakland Housing Authority has adopted an affirmative action plan "to promote fair housing policies in the public housing community, and to assist in the integration of non-integrated communities through the scattered site program."
45. Alameda County Metropolitan Housing Center	This organization will help households to ascertain the nature of their discrimination problem and, if necessary, send out "checkers" to confirm discriminatory acts.
46. Oakland Citizens Committee for Urban Renewal (OCCUR)	This officially recognized community organization in Oakland has advocated for fair housing principles in applicable City programs and has stressed those concerns during the preparation of City reports and plans.
47. Alameda County Legal Aid Society	This organization provides assistance in enforcing laws prohibiting red-lining and housing discrimination, as well as assistance in efforts to ensure that Oakland's burden of low-income housing is shared by surrounding cities.
48. Operation Sentinel	This program, sponsored by the Stanford Mid-Peninsula Urban Coalition, serves as a centralized complaint center for allegations of housing discrimination for the Bay Area. Operation Sentinel receives complaints and utilizes checkers from the local area to investigate them.





MAP 2

# HOUSING PROGRAM AREAS OAKLAND 1977

-  Urban Renewal Project - Oak Center
-  Urban Renewal Project - Acorn
-  Neighborhood Development Program - Stanford/Adeline
-  Neighborhood Development Program - Chinatown
-  Neighborhood Development Program - Elmhurst
-  Neighborhood Housing Service Area (NHS)
-  Jefferson School Improvement Area
-  Homesteading Program
-  Community Development Districts



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## Coordination of the City's Housing Efforts

The preceding two sections on policy formulation and program development and the accompanying organizational framework of the planning process has attempted to present a fairly straightforward progression from problem identification to program implementation and evaluation. However, few problem solutions are ever that clear cut or simple. The housing field, with its multiple problems, solutions, and funding sources, is especially complex. The City can neither independently fund or provide all the programs needed, nor administer or implement all the courses of action adopted by City Council. To carry out its policies, plans, and programs, the City must cooperate and coordinate with all levels of government, industry and nonprofit organizations. Towards this end the City has developed an extensive interconnecting network of contracts, liaisons, and lines of responsibility to enable it to carry out many housing functions and responsibilities. The following are examples of such coordinating actions:

### INTER-GOVERNMENTAL ACTIONS

- The Association of Bay Area Government's Regional Housing Subsidy Distribution System. The Regional Housing Subsidy Distribution System, under the Administration of ABAG, allows the City to influence the manner in which the Federal government distributes housing assistance funds among Bay Area jurisdictions. The City, through its representative on ABAG's Executive Board, participates in the process of monitoring and implementing the system. The system incorporates two component parts: the basic distribution which allocates available assisted housing targets for larger cities and counties; and "discretionary distribution" of surplus units. The distribution process helps provide equitable distribution of available federally-subsidized

housing units (with concurrence by HUD); provides assisted housing in close proximity to job locations serving low-income workers; provides housing opportunities for low income households outside traditional low-income areas; and generally allows the City to implement its regionally-oriented housing policies.

- The Housing Assistance Plan (HAP). The HAP contained in the City's Community Development application, is Oakland's prime coordinating tool between municipal implementation and Federal and State funding sources for housing. It also provides an accurate survey of the condition of the local housing stock; assesses the housing needs of lower income persons in Oakland; and specifies realistic annual goals for assisted housing, including new development, rehabilitation, and existing units. It identifies general locations of proposed housing for lower income persons with the objectives of: revitalizing stable neighborhoods; promoting a greater choice of housing opportunities; avoiding undue concentrations of assisted persons (as per City policy); and assuring availability of public facilities and services to serve proposed housing projects. The overall function of the HAP is to link the City's housing activities closely into the community development and comprehensive planning processes and to put new emphasis on local housing services.
- The City as a Local Housing Agent. The City as the Local Housing Agent works with the State of California's Housing Finance Agency. In this role the City has the power of review and, under specified circumstances by the State, power to reject State-financed housing projects proposed for funding under the State's many housing programs.

### JOINT MUNICIPAL AND PRIVATE SECTOR ACTIONS

- Oakland Better Housing, Inc. (OBH). The City has entered into a contract with Oakland Better Housing under which the City set up a revolving loan fund that O.B.H. can draw upon for



construction funds to rehabilitate vacant houses. O.B.H. agreed to submit loan packages to the City for each feasible property that they could locate and get an agreement to purchase. With the City's approval of each package, they purchase a home with their funds, rehabilitate with Community Development funds, and sell the homes to eligible purchasers, using FHA 235 loans or other forms of financing for take-out loans. When the sale is consummated, the City's construction loan funds are returned and become available for lending again.

- BA City Improvement And Restoration Program, Inc. (BAYCIRP). The purpose of this Bank of America sponsored non-profit corporation is to buy, rehabilitate, and sell vacant houses in East Oakland. They have asked for and received the City's assistance in performing Code inspections, work write-ups, and cost estimates to establish the feasibility of acquiring and rehabilitating single-family vacant houses.

The City has made other concerted efforts to coordinate municipal, private, county, state, and federal efforts towards solving the City's housing problems. For example, as a condition for achieving Housing Agent status, the City promised the State that it would set up a system to expedite public and private housing proposals through City regulatory bodies thus reducing the time and consequently the cost of the subject projects. The City will continue to take vigorous actions in coordinating and utilizing all resources available to implement the housing policies in this element.

#### THE HOUSING ASSISTANCE PLAN (HAP)

The Housing Assistance Plan (HAP) is a prime coordinating tool between municipal implementation and Federal and State funding sources. As such, it is considered integral to the function of the housing element and is considered an official part of the document. As part of the element, the HAP helps bridge

the potential gap between City housing policy and program implementation.

Because the Housing Element is published at infrequent intervals, the inclusion of the annual HAP can provide current data on the City's annual housing goals for assisted housing, current locations for proposed housing for lower income persons, current estimates of condition of the local housing stock, and current estimates of housing needs of low and moderate households in Oakland. The inclusion of the HAP also provides a timely action plan for the City's housing programs.



# Appendix A

## Operating Standards Related To Publicly-Assisted Housing Policies

The following sets forth the operating standards and exceptions that relate to the policies contained in Chapter 6 dealing with publicly-assisted housing. Supplementing nearly each policy are one or more operating standards; these are more specific statements--sometimes statistical in nature--which more easily permit the policies to be effectuated. In addition to policies and operating standards there are also special operating exceptions. These exceptions take into account the fact that an across-the-board application of some standards may be inappropriate and thus should not be applied in certain situations.

All the policies are repeated in this appendix for a more complete understanding of the total system.

### OVERALL POLICY

1. *Housing constructed with, or otherwise receiving, public assistance should be distributed to provide broader housing choices consistent with preferences of low- and moderate-income households, fit harmoniously into its immediately surrounding neighborhood, and avoid the overimpaction of the neighborhood or the schools and other public facilities serving it.*

### CITYWIDE POLICIES AND STANDARDS

#### Census Tract Capacity Policy

2. *To give a greater choice of housing locations for low- and moderate-income*

*households and to limit the concentration of publicly-assisted housing in any one area, new assisted units will be allowed only in census tracts which have remaining capacity for such housing.*

#### Related Operating Standard

*At this time publicly-provided units will be limited to three percent of the total housing units in each census tract; publicly-subsidized housing will be limited to five percent of the housing units in each tract.*

#### Family Housing Policy

3. *The City will use a school capacity rating and a publicly-assisted housing concentration rating to determine where future assisted family housing will be allowed and the relative priorities of areas for receiving such housing.*

#### Related Operating Standard

*The City will use the priority system as shown in the table on the following page as a basis for choosing among proposals for assisted family housing and as a general indication of locational preferences. (The letters L, M, and H are used to indicate High, Medium, and Low priorities respectively, while "None" indicates that no more assisted housing is recommended.)*

#### Elderly Housing Policy

4. *Publicly-assisted elderly housing may be developed throughout the City limited only by the general census tract capacities for additional publicly-provided and publicly-subsidized housing in any particular census tract. However, in census tracts where both publicly-assisted family and elderly housing both may be developed, family housing should have priority, if housing allocations are available, since site locations available for this kind of household are more limited.*

Related Operating Standard

In census tracts where assisted family housing is allowed, the number of new elderly housing units will be limited to 25 percent of the remaining tract capacity or one project, whichever is larger.

Exceptions to Citywide Standards

The above policies and standards represent a general approach to assisted housing distribution which, when applied in specific cases, may be inappropriate or conflict with other City goals. The following special operating exceptions are designed to prevent inappropriate application of the guidelines under certain circumstances.

The City's goal of achieving and maintaining a totally standard housing stock shall take priority over the City's assisted housing distribution policies. Therefore, assisted housing programs which are specifically designed to transform substandard into standard housing are not to be restricted by assisted housing distribution operating standards.

The unique character of the Oakland Central District makes it particularly suited to housing for the elderly. Therefore, assisted elderly housing will not be restricted by citywide distribution standards in Oakland's Central District.

The "Existing" Section 8 Rental Assistant Program allows program participants to seek their own housing unit on the private market, a process called "Finders-Keepers." The unit's location should be consistent with each individual family's preferences as to types of neighborhood, schools racial and ethnic mix, community facilities, and general environment. In most cases the program will result in one subsidized unit per location. For these reasons the Section 8 "Existing" program will not be subject to citywide distribution requirements.

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CENSUS TRACT PRIORITIES FOR ASSISTED  
FAMILY HOUSING BY SCHOOL CAPACITY  
RATINGS AND CONCENTRATION LEVELS

Elementary School Ratings <sup>2</sup>	Existing Assisted Housing Concentration Levels <sup>1</sup>		
	<u>High</u>	<u>Moderate</u>	<u>Low</u>
Under Capacity	L	M	H
At Capacity	None	M	H
Overcrowded	None	None	M
Seriously Overcrowded	None	None	None

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<sup>1</sup>Concentration levels were determined by using a rank ordering of the assisted housing proportion of the housing stock in each census tract. The levels of concentration were derived by dividing the rank order of tracts into thirds, with the third of the tracts with the lowest percentage of assisted housing designated a "Low" concentration; those in the middle third, a "Moderate" concentration; and the top third a "High" concentration of assisted housing.

<sup>2</sup>School capacity ratings were based on the permanent school capacity versus present enrollment as measured by the number of students in portable classrooms. "Under Capacity" means that there are no portables; "At Capacity" means that up to 10% of students are in portables; "Overcrowded" means that up to 25% of students are in portables; and "Seriously Overcrowded" means that over 25% of students are in portables.

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## NEIGHBORHOOD LOCATIONAL POLICIES AND STANDARDS

### Land Use and Zoning Policy

5. Any addition to the publicly-assisted housing supply should now, and in the future, blend in and be compatible with surrounding development as to use and density. Its conformity or non-conformity to existing zoning regulations, while important to consider, should not necessarily preclude its evaluation.

### Elderly Housing Policy

6. Residents of publicly-assisted housing for the elderly should be transported or should be able to walk easily and safely to a bus stop, a supermarket, a drugstore and a laundromat unless the service is provided within the project itself. Steep slopes, unusual danger from crime or isolation from necessary services should be vigorously avoided in locating an elderly housing development. Access to other services such as churches, a bank, a post office, a department store, a barber shop, a beauty parlor and a social center should also be considered in assessing the location of a proposed project.

#### Related Operating Standards

Publicly-assisted housing for the elderly should be located within two blocks of a bus stop and will in no case be more than one-quarter mile from a bus stop, unless transportation is provided by the development.

Publicly-assisted housing for the elderly should be located within one-quarter mile of a supermarket and within one-half mile of a laundromat and a drugstore.

The terrain between the front door of a proposed

publicly-assisted elderly housing project and laundromat should be relatively flat. A developer proposing to put elderly housing in a hilly area should have evidence from medical experts that the slopes which residents have to climb are not steep enough to threaten their health.

A "safety rating" provided by the Oakland Police Department should be used in assessing proposed locations for publicly-assisted housing for the elderly.

### Family Housing Policy

7. Residents of publicly-assisted family housing should have convenient access to transportation, shopping, parks and recreation areas, child care centers, and elementary schools within the neighborhood.

#### Related Operating Standards

Publicly-assisted family housing should be developed on sites within one-quarter mile of as many of the following facilities as possible: transit stops, shopping facilities, a park or recreation area, an elementary school, and a child care center.

## NEIGHBORHOOD SPACING POLICIES AND STANDARDS

### Neighborhood Policy

8. Assisted family housing projects should be adequately spaced and a limit placed on the number of such housing units that can be developed within a relatively small area (neighborhood), to ensure that the negative consequences of overly impacting a neighborhood will not occur.

#### Related Operating Standards

The City will use the "Spacing Operating Standards



*Matrix" on the following page as the basis for deciding whether a proposed assisted family housing project meets the City's spacing policy.*

### Blocks and Blockfaces Policy

9. *In general, not more than one parcel containing assisted family housing should occur in the same block or in the two block faces having a common street frontage (the area abutting both sides of a street between two intersecting streets).*

#### Related Operating Standards in Special Situations

*If an assisted housing development is proposed or is already located on a corner parcel, the affected area, for purposes of applying the basic policy, would comprise the block in which the parcel is located, the two opposite block faces, and those portions of the block faces in the two opposite blocks and in the block diagonally across from the corner parcel that measures 200 feet from the center of the intersection.*

*In large rectilinear or curvilinear blocks, an assisted housing development should be no nearer than 500 feet to another assisted housing development in the same block or in the opposite block face.*

### Exceptions to All Spacing Standards

Spacing standards shall not apply to the following:

*Proposed assisted elderly projects.*

*One unit projects or to the renting (under section 8) of one unit in a building--unless one or more units are already rented in the building. (However, all such units will be counted in determining how many assisted units already exist in a specifically*

*affected area.)*

*Across major physical barriers. (Existing assisted units that are located within the rectangle, but that are separated from a proposed project by a major physical barrier, will not be counted as being in the "affected" area.)*

### PROJECT DEVELOPMENT POLICIES AND STANDARDS

The site and project design guidelines were for the most part taken from the report Public Housing Site Selection and Development Guidelines, adopted by the City Planning Commission in 1968 and revised in 1972.

### Project Size Policy

10. *The size of an assisted housing development should be limited so that it does not adversely affect abutting properties or the immediately surrounding area but yet is of sufficient size to allow feasible development and flexibility in design. New provided family housing projects should, however, be limited at any one location to twelve bedrooms in any combination up to six units.*

#### Related Operating Standard

*The maximum number of family subsidized units at any one location should be limited to 100 bedrooms in any combination up to 50 units.*

### Site and Project Design Policies

11. *The location, design and site planning of assisted housing development should provide a functional, convenient and attractive living environment for its occupants.*
12. *The size, design and operating characteristics of assisted housing, in addition to the condition of its grounds and*

## SPACING OPERATING STANDARDS MATRIX

If The Total Proposed  
Project is Between

Then The Number Of Total Units (Existing Units Plus Units In  
the Proposed Project) Located Within The Specified Rectangle  
And All Succeeding Larger Rectangles (Centered On The Project  
Site):

(Number of Housing  
Units)

Whose Dimensions  
In A High Density  
Area Are:<sup>1</sup>

Or Whose Dimensions  
In A Low Density  
Area Are:<sup>2</sup>

Cannot Exceed  
This Number of  
Housing Units

2 thru 8	400 x 800	600 x 1200	8
9 thru 20	600 x 1200	1000 x 1600	20
21 thru 50	1000 x 1600	1400 x 2000	50
51 thru 80	1400 x 2000	Projects of This Size Are Not Per- mitted In A Low Density Area	80

<sup>1</sup>A high density area is one which averages approximately 15 units or more per net residential acre.

<sup>2</sup>A low density area is one which averages approximately 14 units or less per net residential acre.

#### MATRIX EXPLANATION AND EXAMPLE

If the proposed project is for 15 units in a high density area, then starting with the specified rectangle, 600 x 1200, centered on the site, there cannot be more than 5 existing units, in addition to the proposed 15, within the rectangle. In addition, the proposed project must be evaluated against all succeeding rectangles: no more than 35 existing units (50 less 15) in the 1000 x 1600 rectangle and no more than 65 units (80 less 15) in the 1400 x 2000 rectangle. It obviously does not have to meet the test in any rectangle smaller than the specified rectangles. If adding 15 units, as proposed, exceeded the maximums in any of the rectangles, the proposed project size would have to be reduced accordingly in order to meet this guideline.

*buildings, should be compatible with and not adversely affect the livability or appropriate development of abutting properties or the immediately surrounding area.*

### Related Operating Standards

The following site and project design operating standards are grouped into five categories:

#### Site Selection

*Sites for assisted family housing should not be located on arterial streets. Sites for assisted elderly housing may be located on arterials and should be near good public transportation and other conveniences.*

*Lot width should be at least 40 percent of lot depth for all lots less than 75 feet wide.*

#### Overall Appearance and Building Design

*For provided family housing, buildings should be of the one or two story townhouse type only.*

*The building or buildings and their related open spaces should be carefully related in massing, site composition, materials, and color to the surrounding buildings--their open spaces and permanent landscaping.*

*Where common entrances or lobbies are used, they should be so designed that they minimize the danger of free access by unwanted visitors. Windows should not be too close to the ground and should be capable of being secured even in a partially open position, in order to reduce the danger of unlawful entry.*

#### Usable Open Space Areas

*The placement of the building or buildings on the lot should be such as to maximize usable open space areas. Rear yards rarely function well as usable open space unless they are at least 20 to 25 feet deep.*

*Group usable open space should be of such a size and shape that a rectangle inscribed within it shall have no dimension of less than 15 feet. Long narrow spaces are unacceptable. It shall be increased by 30 square feet of contiguous area for each additional bedroom beyond two bedrooms in each unit.*

*Several kinds of open spaces should be provided on a lot, such as an area for mothers with babies and an active recreation area for the 6 to 12 year olds.*

*All open space and recreational areas should be suitably surfaced. Loose material, such as gravel, sand, bark, etc., should be avoided. At least one-half of the group usable open space should be grass.*

*All usable open space areas should be reasonably level. Slopes of over ten percent should be terraced.*

*If recreational areas are adjacent to parking areas, garbage areas, or the street, they should be screened by a solid or grille, lumber or masonry fence at least three and one-half feet high, or by dense landscaping at least three and one-half feet high and three feet wide.*

*Recreational areas should be screened from abutting lots by a solid lumber or masonry fence or wall at least five and one-half feet high or by dense landscaping at least five and one-half feet high and at least three feet wide.*

#### Landscaping, Fencing, and Screening

*It is recommended that whenever landscaping is required, a durable grass be installed, together with a suitable sprinkler system. This would apply to all areas at least 5 feet wide, especially those that might be used by children. Sprinklers could be operated by the "resident maintenance person."*

*Ground cover, such as ivy, is appropriate along strips, one or two feet wide, along fences,*



walls or buildings. Fences surrounding parking areas could be made highly attractive with plants such as ivy or pyracantha.

If larger areas are to be landscaped with something other than grass, suitable plants resistant to children should be planted.

The space between the parking space and the public sidewalk should be planted with durable, child-resistant plant materials.

All trees to be planted should be mature or hardy enough to resist children. For example, a trunk at least  $1\frac{1}{2}$  inches thick (at a point 3 feet off the ground), might be adequate.

Loose ground cover, such as bark, gravel, or sand, susceptible to being carried away should be avoided.

Where landscaping is used in place of a fence or wall, the Zoning Regulations standards should be followed.

The area between the sidewalk and street curbing should be concrete and contain appropriate street trees.

All fences should be well constructed. Boards or planks when used, should be at least one inch thick ( $\frac{3}{4}$  inch finished) and painted with at least two coats of penetrating wood stain. Grape stake fences are completely inadequate, because the stakes can be knocked out quite easily.

All fences should be properly maintained and mended when necessary.

All perimeter fences should be solid (not open type). Internal fences may be up to 30 percent open.

The lot should be provided with adequate screening at the side and rear lot lines by a fence, wall, or landscaping at least five and one-half feet high. For screening at or near street lines, when parking area is visible, see

#### Parking Area recommendations.

Fences between the parking area and the sidewalk should be either masonry or chain-link with redwood slats.

#### Parking Areas

Whenever possible parking areas should be physically separate from pedestrian access areas. In cases where separate pedestrianways cannot be provided, a different surface treatment (such as exposed aggregate) would indicate the extent of the pedestrian access areas.

All parking areas should be provided with screening or separation elements as follows:

- a. Screening from the street or adjacent recreational areas: by a solid or grille, masonry wall or chain-link/redwood slat fence three and one-half feet high or by dense landscaping three and one-half feet high and at least three feet wide.
- b. Screening from abutting lot: same as on side or rear lot lines (see Landscaping, Fencing and Screening above).
- c. Separation from all other areas: by a 6" **raised** concrete curb preferably a step-up rather than step-over curb.

Opening into parking areas at the front property line should not exceed the permitted curb cut in width to provide maximum screening at the front property line.

No more than three cars should be parked in a manner that requires them to be backed across the sidewalk.

Whenever possible, the perimeter of the parking area should be provided with landscaping, such as climbing ivy, along the perimeter fence.

All parking spaces should be provided with permanently affixed wheel stops, be striped and individually numbered, with each tenant owning a car assigned space.









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Milton J. Nicholas  
Jerry Coffel  
William T. Bane

Report Revision

Steven W. Belcher

Graphics

Blair Prentice  
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Typing

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